

PROSPECTUS

ZWIPE AS



Incorporated as a private limited liability company in Norway
Business register number 994 553 607

Offering of up to 6,000,000 Offer Shares at a subscription price of NOK 20.00 per Offer Share

This prospectus relates to, and has been prepared in connection with, the offering of up to 6,000,000 shares in Zwipe AS (the "**Company**"), a private limited liability company incorporated and existing under the laws of Norway. Of the 6,000,000 new shares, 4,500,000 have been pre-committed by existing Shareholders, primary insiders and new investors in Norway and Sweden.

The Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares may lawfully be made and, for jurisdictions other than Norway, would not require any filing, registration or similar action. The Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act; and (ii) outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act ("Regulation S"). The distribution of this prospectus (the "**Prospectus**") may in certain jurisdictions be restricted by law. Accordingly, this Prospectus may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Managers (as defined below) require persons in possession of this Prospectus and/or considering subscribing for Offer Shares to inform themselves about, and to observe, any such restrictions.

Investing in the Company and the securities covered by this Prospectus (including, but not limited to, the Shares) involves material risks and uncertainties. See Chapter 2 "Risk Factors" and Chapter 4.2.4 "Cautionary Note regarding Forward-Looking Statements".

This Prospectus will also be used as an admission document connected to the planned listing of the Shares on Merkur Market. Merkur Market is a multilateral trading facility operated by Oslo Børs ASA. Merkur Market is not a regulated market and is therefore not subject to the Stock Exchange Act or the Stock Exchange Regulations. Merkur Market is subject to the rules in the Securities Trading Act and the Securities Trading Regulations that apply to such marketplaces. These rules apply to companies admitted to trading on Merkur Market, as do the marketplace's own rules, which are less comprehensive than the rules and regulations that apply to companies listed on Oslo Børs and Oslo Axess. Investors should take this into account when making investment decisions.

Managers and Joint Bookrunners:



The date of this Prospectus is 9 January 2019

Important information

This Prospectus (the "**Prospectus**") has been prepared in order to provide information about Zwipe AS ("**Zwipe**" or the "**Company**") and its business in connection with the offering of up to 6,000,000 shares (the "**Offer Shares**" and the "**Offering**") in Zwipe, and together with its subsidiary on a consolidated basis, the "**Group**"), a private limited liability company incorporated and existing under the laws of Norway under business register number 994 553 607. (The Company's shares, as issued from time to time, are hereinafter referred to as the "**Shares**".) Of the maximum 6,000,000 Offer Shares in the Offering at a maximum subscription amount of NOK 120 million, 4,500,000 Offer Shares in the amount of NOK 90 million have been pre-committed by existing Shareholders, primary insiders and new investors in Norway and Sweden.

For the definitions of terms used throughout this Prospectus, see Chapter 19 "Definitions and glossary".

The Company has furnished the information in this Prospectus. Carnegie AS ("**Carnegie**") and Redeye AB ("**Redeye**", Redeye and Carnegie hereinafter jointly the "**Managers**") make no representation or warranty, expressed or implied, as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, nor shall be relied upon as, a promise or representation by the Managers.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (Norwegian: "*verdipapirhandeloven*") (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Commission Regulation no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses (the "**EU Prospectus Directive**") as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (as amended) (the "**EC Regulation 809/2004**"). The Norwegian Financial Supervisory Authority (Norwegian: "*Finanstilsynet*") (the "**Norwegian FSA**") has reviewed this Prospectus in accordance with Sections 7-7 and 7-8, cf. Section 7-3, of the Norwegian Securities Trading Act, and has approved this Prospectus on 9 January 2019. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Prospectus. The approval given by the Norwegian FSA only relates to the Company's descriptions pursuant to a pre-defined check list of requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or otherwise covered by this Prospectus. This Prospectus has been prepared solely in the English language and is valid for twelve (12) months from the date of approval.

All inquiries relating to this Prospectus should be directed to the Company or the Managers. No other person has been authorized to give any information about, or make any representation on behalf of, the Company in connection with the Offering and Listing, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Company or the Managers.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company subsequent to the date of this Prospectus. Any new material information and any material inaccuracy that might have an effect on the assessment of the Offering or Offer Shares arising after the publication of this Prospectus and before the end of the Application Period will be published as a supplement to this Prospectus in accordance with Section 7-15 of the Norwegian Securities Trading Act. Neither the delivery of this Prospectus nor the completion of the Offering at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Group's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

Investing in the Company and the securities covered by this Prospectus (including, but not limited to, the Offer Shares) involves material risks and uncertainties. See Chapter 2 "Risk Factors" and Chapter 4.3 "Cautionary note regarding Forward-Looking Statements".

The contents of this Prospectus shall not be construed as legal, business or tax advice. Each reader of this Prospectus should consult its own legal, business or tax advisor as to legal, business or tax advice. If in any doubt about the contents of this Prospectus, readers should consult their stockbroker, bank managers, lawyer, accountant or other professional adviser.

The distribution of this Prospectus may be restricted by law in certain jurisdictions. This Prospectus may not be used for the purpose of, and does not constitute, an offer to sell or issue, or a solicitation of an offer to buy or subscribe for, any securities in any jurisdictions in any circumstances in which such offer or solicitation is not lawful or authorized. The Company and the Managers require that persons in possession of this Prospectus and/or considering subscribing for Offer Shares to inform themselves about and to observe such restrictions.

The Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares may lawfully be made. In addition to making the Offer to the market in Norway, the Company intends to address the Offer to the market in Sweden, and has, thus, requested the Norwegian FSA to send notification to the Swedish regulator, Finansinspektionen, in this respect. The Prospectus shall be deemed to be approved by Finansinspektionen as from the date on which notification is received from the Norwegian FSA, expected to be on or about 9 January 2018.

No one has taken any action that would permit a public offering of Shares to occur outside of Norway and Sweden. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Offer Shares have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") and in compliance with any applicable securities law of any state or other jurisdiction of the United States.

Any reproduction of this Prospectus, in whole or in part, is prohibited.

This Prospectus and the terms and conditions of the Offering, as set out herein, shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have the exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

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1 Summary

A Swedish translation of the summary has been included in Chapter 17 "Summary - Swedish translation".

The following summary of the information and financial and other data appearing elsewhere in this Prospectus is qualified in its entirety by such more detailed information set forth elsewhere herein and in the documents incorporated hereto by reference, see Chapter 18.2 "Documents incorporated by reference". This summary does not contain all of the information that may be important to potential investors and it should be read as an introduction to the Prospectus. Potential investors should review carefully the entire Prospectus, including the risk factors and the more detailed financial and other data included herein or incorporated hereto by reference, before making an investment decision (financial data is available on www.zwipe.com). Following the implementation of the relevant provisions of the EU Prospective Directive in each member state of the European Economic Area ("EEA") in which an offer which is subject to the EU Prospectus Directive is conducted, no civil liability will attach to the responsible persons in any such member state solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a member state of the EEA, the plaintiff may, under the national legislation of the member state where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Chapter A – Introduction and Warnings

A.1	Introduction and warnings	<p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the Offer Shares should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation in its member state, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Consent to the use of the Prospectus by financial intermediaries	Not applicable; no consent is granted by the Company for the use of this Prospectus for subsequent resale or final placement of the Offer Shares.

Chapter B – Issuer

B.1	Legal and commercial name	Zwipe AS.
B.2	Domicile and legal form, legislation and county of incorporation	The Company is a private limited liability company (Norwegian: "aksjeselskap") incorporated and existing under the laws of Norway.

B.3	Current operations, principal activities	<p>Zwipe is a biometric tech company that focuses on the development and commercialization of secure, fast and easy to use biometric authentication solutions with opportunity for broad application across key verticals like payment, access control and government identification. Zwipe's current focus is on payment.</p> <p>Zwipe's versatile technology works with customers' existing infrastructure and systems without the need for external databases, functioning with and without the need for batteries. The enhanced security enabled by biometrics coupled with the convenience of contactless use provides the ideal platform for a next-generation smart card that also addresses the privacy concerns widely prevalent today.</p>
B.4	Significant recent trends	<p>The increased use of biometrics in everyday life has normalized the technology for the mass market. Thanks to smart phones and other devices using biometrics, consumers are familiar and comfortable with biometric authentication. Recent market surveys suggest that consumers have strong interest in new biometric technologies that would make their lives easier, and the outlook for biometric authentication in both developed and developing markets is positive for a variety of reasons.</p> <p>The Company's strategy is to leverage its core technology across three mass markets: payment, access control and identification, and the Company's primary product offering, at the date of this Prospectus, consists of biometric inlay for Payment Cards.</p> <p>Zwipe believes its strong IP and technology, including its unique energy harvesting, power management and biometric technologies, is positioning the Company to take a significant share of the biometric payment card market and subsequently expand its business into the biometric access control and identification markets.</p> <p>To successfully bring its technology to the market, Zwipe has entered into a strategic partnership with Gemalto and will continue to pursue similar partnership with other card manufacturers.</p> <p>Together with Gemalto and Bank of Cyprus, Zwipe launched the world's first battery-less Dual-Interface fingerprint activated Payment Card pilot in Q1 2018. In addition, Zwipe has introduced a 70% reduction in energy consumption of the card and, also, innovative solutions for at-home and in-branch fingerprint enrolment solutions.</p> <p>During the summer of 2018, a pilot pipeline has been established with Gemalto for the remainder of 2018 and early part of 2019. Currently, 10 pilots are ongoing with Gemalto, Areeba and leading banks in the Middle-East region supported by Visa. A pilot is also ongoing with the leading Italian bank, Banca Intesa Sanpaolo, based on dialogue through Gemalto. This pilot is supported by Mastercard. Other pilots are in the pipeline, and several global top 20 banks and a leading Nordic bank are in dialogue regarding new pilots. In addition, Zwipe has entered into partnerships with the Chinese card manufacturer Silone Cardtech and the Philippine card manufacturer Allcard.</p> <p>Please see Chapter 7.3 "Brief history and development" and Chapter 8.7 "Trend information; significant changes to the Group's financial position since 30 June 2018" for more information about significant recent trends in the Group's business, relevant markets and recent changes in financial position.</p>

B.5	Description of the group	<p>The Group consists of the Company and one wholly-owned subsidiary; Zwipe America Inc. ("Zwipe America"), a corporation existing under the laws of the State of Delaware in the United States (the "U.S.).</p> <p>The Group's administrative, finance, IP, product management and sales activities are conducted at the parent level, while R&D and Supply Chain activities are conducted by Zwipe America.</p>																																																																		
B.6	Interests in the Company and voting rights	<p>The 20 largest Shareholders in the Company as at 4 January 2019 are shown in the table below:</p> <table border="1"> <thead> <tr> <th>Top 20 Shareholders</th><th>Number of Shares</th><th>% of shares</th></tr> </thead> <tbody> <tr><td>Lars Windfeldt (Board member)*</td><td>950 195</td><td>10,1 %</td></tr> <tr><td>Photon Future Ltd. (Kuang-Chi)</td><td>915 869</td><td>9,7 %</td></tr> <tr><td>Launch AS (founder Kim Humborstad)</td><td>849 298</td><td>9,0 %</td></tr> <tr><td>Concito as</td><td>535 610</td><td>5,7 %</td></tr> <tr><td>Telecom AS</td><td>290 000</td><td>3,1 %</td></tr> <tr><td>Feat Invest AB</td><td>251 500</td><td>2,7 %</td></tr> <tr><td>Altitude Capital AS</td><td>250 000</td><td>2,7 %</td></tr> <tr><td>Prog Seed AS</td><td>241 338</td><td>2,6 %</td></tr> <tr><td>MP Pensjon PK</td><td>208 000</td><td>2,2 %</td></tr> <tr><td>Advisum AS</td><td>190 876</td><td>2,0 %</td></tr> <tr><td>Jörgen Lantto (Chairman of the Board)</td><td>180 000</td><td>1,9 %</td></tr> <tr><td>Johan Biehl (Board member)</td><td>170 000</td><td>1,8 %</td></tr> <tr><td>John Bäck</td><td>164 361</td><td>1,7 %</td></tr> <tr><td>Patri Invest & Trading AS</td><td>151 000</td><td>1,6 %</td></tr> <tr><td>Prinvest AS</td><td>150 579</td><td>1,6 %</td></tr> <tr><td>Edale Capital</td><td>150 000</td><td>1,6 %</td></tr> <tr><td>Energetic AS (CEO)</td><td>140 000</td><td>1,5 %</td></tr> <tr><td>LJM AS</td><td>128 666</td><td>1,4 %</td></tr> <tr><td>Patrick Bergström</td><td>115 000</td><td>1,2 %</td></tr> <tr><td>Langebru AS</td><td>111 696</td><td>1,2 %</td></tr> <tr> <td>Total top 20 Shareholders</td><td>6 143 988</td><td>65 %</td></tr> </tbody> </table> <p>The above list has been prepared by the Company using due care based on information extracted from the VPS, but the Company takes no responsibility for the correctness of the information in the list.</p> <p>* Mr. Windfeldt's shareholding in the Company is spread through a number of companies, see Chapter 13.3 "Major Shareholders" for more information.</p>	Top 20 Shareholders	Number of Shares	% of shares	Lars Windfeldt (Board member)*	950 195	10,1 %	Photon Future Ltd. (Kuang-Chi)	915 869	9,7 %	Launch AS (founder Kim Humborstad)	849 298	9,0 %	Concito as	535 610	5,7 %	Telecom AS	290 000	3,1 %	Feat Invest AB	251 500	2,7 %	Altitude Capital AS	250 000	2,7 %	Prog Seed AS	241 338	2,6 %	MP Pensjon PK	208 000	2,2 %	Advisum AS	190 876	2,0 %	Jörgen Lantto (Chairman of the Board)	180 000	1,9 %	Johan Biehl (Board member)	170 000	1,8 %	John Bäck	164 361	1,7 %	Patri Invest & Trading AS	151 000	1,6 %	Prinvest AS	150 579	1,6 %	Edale Capital	150 000	1,6 %	Energetic AS (CEO)	140 000	1,5 %	LJM AS	128 666	1,4 %	Patrick Bergström	115 000	1,2 %	Langebru AS	111 696	1,2 %	Total top 20 Shareholders	6 143 988	65 %
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B.7	Selected historical key financial information	<p>The following selected financial information has been extracted from the Company's financial information as at, and for the six months period ended, 30 June 2018 and the Company's audited financial information as at, and for the years ended, 31 December 2017, 2016 and 2015, respectively.</p>																																																																		

		The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the financial statements and the interim financial information incorporated by reference to this Prospectus and should be read together with Chapter 9 "Operating and financial review".				
		The presented data is in accordance with the Norwegian Generally Accepted Accounting Principals ("NGAAP"), except for the financial year 2015, which is presented in accordance with NGAAP for smaller enterprises, NRS 8 ("NRS 8").				
Consolidated profit and loss statement						
	Six months ended 30 June			Year ended 31 December		
Operating income and operating expenses (in TNOK)	2018 (unaudited) NGAAP Consolidated	2017 (unaudited) NGAAP Consolidated	2017 (audited) NGAAP Consolidated	2016 (audited) NGAAP Consolidated	2016 (audited) NRS8 Un-consolidated	2015 (audited) NRS8 Un-consolidated
Sales revenue	677	402	1 073	509	509	664
Other operating income	-	109	152	88	88	60
Operating income	677	511	1 224	597	597	724
Cost of goods sold ¹	743	928	2 454	401	401	2 607
Payroll expenses	11 242	9 022	17 654	12 906	5 718	3 726
Depreciation of tangible and intangible fixed assets	6 979	1 376	4 166	2 762	2 599	1 818
Other operating expenses	11 910	13 954	27 420	19 441	27 430	12 686
Operating expenses	30 874	25 281	51 694	35 511	36 148	20 837
Operating profit/loss	-30 196	-24 770	-50 469	-34 913	-35 551	-20 113
Financial income and expenses						
Other interest income	0,33	0,13	47	11	11	15
Other financial income	205	38	706	737	737	2 449
Other interest expenses	392	21	2 509	700	700	106
Other financial expenses	329	97	1 013	1 185	1 185	58
Net financial income and expenses	-516	-80	-2 769	-1 136	-1 136	2 300
Result before tax	-30 712	-24 850	-53 239	-36 050	-36 687	-17 814

¹ COGS or Cost of goods sold is defined in Chapter 9.1.1.

Tax expense	-	-	506	246		
Result for the year	-30 712	-24 850	-53 745	-36 296	-36 687	-17 814
Balance Sheet						
	Six months ended 30 June		Year ended 31 December			
Balance sheet (in TNOK)	2018 (unaudited) NGAAP Consolidated	2017 (unaudited) NGAAP Consolidated	2017 (audited) NGAAP Consolidated	2016 (audited) NGAAP Consolidated	2016 (audited) NRS8 Un-consolidated	2015 (audited) NRS8 Un-consolidated
Assets						
Fixed assets						
Intangible fixed assets						
Research and development	4 579	3 347	2 157	4 351	4 351	4 393
Licences, patents etc.	-	5 890	5 333	3 543	3 543	1 845
Total intangible assets	4 579	9 237	7 490	7 893	7 893	6 238
Tangible fixed assets						
Equipment., fixtures and fittings and other movables	2 373	3 407	2 542	969	910	453
Total tangible fixed assets	2 373	3 407	2 542	969	910	453
Financial fixed assets						
Investments in subsidiaries	-		0	0	386	386
Other receivables	1 136	1 122	1 136	208	208	179
Total financial fixed assets	1 136	1 122	1 136	208	594	565
Total fixed assets	8 088	13 766	11 168	9 071	9 398	7 256
Current assets						
Inventories	5 446	3 850	5 141	4 108	4 108	677
Total inventories	5 446	3 850	5 141	4 108	4 108	677
Receivables						
Accounts receivables	938	245	107	109	109	355
Other receivables	6 000	4 757	5 586	4 488	4 445	3 401
Total debtors	6 938	5 002	5 693	4 597	4 554	3 756
Bank deposits, cash and cash equivalents	37 900	28 107	49 263	19 825	19 289	37 623
Total bank deposits, cash and cash equivalents	37 900	28 107	49 263	19 825	19 289	37 623
Total current assets	50 285	36 960	60 097	28 530	27 952	42 056

Total assets	58 372	50 726	71 265	37 601	37 350	49 313
Equity						
Share capital	943	519	743	457	457	455
Share premium reserve	28 468	119 570	37 854	82 248	82 248	81 648
Losses from previous years	-	- 97 580		-73 438	-74 389	-37 703
Total restricted equity	29 411	22 509	38 597	9 267	8 315	44 401
Total equity	29 411	22 509	38 597	9 267	8 315	44 401
Liabilities						
Other long term liabilities	663	1 140	888	24 538	24 538	1 825
Total of other long term liabilities	663	1 140	888	24 538	24 538	1 825
Current liabilities						
Trade payables	2 062	2 632	4 065	1 735	2 633	2 134
Public duties payable	723	342	541	441	441	281
Tax payable	-	-	291	176	0	0
Other short term liabilities	25 514	24 104	26 884	1 446	1 424	671
Total short term liabilities	28 299	27 077	31 780	3 797	4 497	3 087
Total liabilities	28 962	28 217	32 668	28 334	29 034	4 912
Total equity and liabilities	58 373	50 726	71 265	37 601	37 350	49 313
Cash flows from operating activities						
	Six months ended 30 June		Year ended 31 December		2015 Zwipe AS	
	2018	2017	2017	2016	AS	
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)	
Net income / (loss) before tax	-30 712	-24 850	-53 239	-36 050	-17 814	
Taxes paid			-391	-97	-	
(+) Depreciation & amortization	6 979	1 376	4 166	2 762	1 818	
(-) Change in inventory	-305	258	-1 033	-3 431	-677	
(-) Change in accounts receivable	-831	-136	2	246	-346	
(-) Change in other current assets	-414	-1 183	-2 025	-1 116	-1 534	
(+) Change in accounts payables	-2 003	897	2 330	20	944	
(+) Change in current liabilities	1 162	467	1 178	566	122	
Net cash use in operating activities	-26 124	-23 171	-49 012	-37 100	-17 486	
Cash flows from investing activities						

Intangible assets and capital expenditures	-3 898	-5 158	-5 336	-4 933	-2 294
Net cash provided by (used in) investing activities	-3 898	-5 158	-5 336	-4 933	-2 294
Operational cash flow	-30 023	-28 329	-54 348	-42 034	-19 781
Cash flows from financing activities					
Interest					
Interest on shareholder loan (no cash effect)	-1 595	-740	1 789	23 454	-1 169
Equity issue	20 000	37 385	81 988	601	42 783
Investment Zwiipe America Inc					-386
Net cash provided by financing activities	18 405	36 645	83 776	24 055	41 229
Effect of foreign currency translation	255	-34	10	-34	
Net increase / (decrease) in cash and cash equivalents	-11 363	8 282	29 438	-18 013	21 447
Cash and cash equivalents at beginning of period	49 263	19 825	19 825	37 837	16 176
Cash and cash equivalents at end of period	37 900	28 107	49 263	19 825	37 623
Net cash flow	-11 363	8 282	29 438	-18 013	21 447
B.8	Selected key pro forma financial information	Not applicable; there is no pro forma financial information.			
B.9	Profit forecast or estimate	Not applicable; no profit forecasts or estimates are made.			
B.10	Audited report qualifications	<p>The Company's auditor is BDO AS ("BDO").</p> <p>BDO has audited the Company's financial statements for the years ended 31 December 2017, 2016 and 2015, respectively, and all audit opinions have been issued without qualifications.</p>			
B.11	Working capital	<p>The Company does not currently have sufficient working capital (cash reserves and funding) for its present requirements. Without further measures, the Company's working capital is expected to run out at the end of January 2019. The Group expects to need approximately NOK 123 million to secure sufficient working capital for the period covering the twelve (12) months' period from the date of this Prospectus.</p> <p>The calculation of approximately NOK 123 million in required working capital, is based on an assumption that the average monthly operational burn rate in 2019 will be approximately NOK 9 million, and that the remaining part of the Kuang-Chi Loan of NOK 14.3 million (approx. USD 1.8 million) is repaid at the end of January 2019. The Company has received written confirmation from Mr. Mattias Forslin that he, upon a successful capital raising at least in the total amount of NOK 25 million – such condition to be</p>			

		<p>fulfilled by the Offering – will convert to equity the whole convertible loan in the amount of SEK 9.1 million raised in September 2018 on the terms set forth in the loan agreement. As such, the repayment of the convertible loan will not require any working capital.</p> <p>Taking into account that out of the NOK 123 million needed, approximately NOK 24 million will be covered by the Company's current funds, the EU grant and Skattefunn, approximately NOK 99 million remain to be covered through the Offering. Should the Company fail to raise net proceeds in the Offering exceeding NOK 99 million (of which gross proceeds of NOK 90 million is pre-committed), the Company will reduce the monthly burn rate during 2019 so as to ensure that the necessary working capital is sufficiently funded through the Offering and the said other sources.</p>
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Chapter C – Securities

C.1	Type and class of securities admitted to trading and identification number	<p>Zwipe has one class of Shares in issue.</p> <p>Zwipe's tradable Shares have been created under the Norwegian Private Limited Companies Act and are registered in book-entry form with the VPS under International Securities Identification Number ("ISIN") NO0010721277.</p>
C.2	Currency of issue	The Shares are issued in Norwegian Kroner (" NOK ").
C.3	Number of shares in issue and par value	As at the date of this Prospectus, the Company has a fully paid share capital of NOK 942,566.20 divided into 9,425,662 Shares, each with a par value of NOK 0.10.
C.4	Rights attaching to the securities	Zwipe has one class of Shares. The Shares are equal in all respects, including the right to dividend; voting rights; rights to share in the Company's profit; rights to share in any surplus in the event of liquidation; redemption provisions; reserves or sinking fund provisions; liability to further capital calls by the Company; and any provision discriminating against or favoring any existing or prospective holder of such securities as a result of such Shareholder owning a substantial number of shares. Each Share carries one vote at the Company's general meetings (" General Meetings " mean the annual and extraordinary general meetings of Shareholders in the Company; and " General Meeting " means any one of them).
C.5	Restrictions on transfer	<p>The Shares are freely transferrable and, subject to applicable securities law (further information below), there are no restrictions in the Company's securities.</p> <p>Share transfers are not subject to approval by Zwipe's board of directors, as elected from time to time (the "Board of Directors").</p>
C.6	Admission to trading	<p>On 9 January 2019, Zwipe applied for admission to trading of its Shares (including the Offer Shares) on Merkur Market, a multilateral trading facility operated by Oslo Børs (the "Listing"). It is expected that the Listing application of Zwipe will be approved by Oslo Børs on or about 23 January 2019, subject to certain conditions being met.</p> <p>Zwipe currently expects commencement of trading in the Shares on Merkur Market or about 28 January 2019. The Company has not applied for admission on any regulated market, and the Shares are not currently admitted to trading on any regulated market.</p>

C.8	Dividend policy	<p>Zwipe has not paid any dividends since its incorporation, and the Company does not anticipate paying any dividends in the short term.</p> <p>The dividend policy will, however, be regularly assessed by the Board of Directors, and will depend, among other things, on the Group's financial condition, leverage, liquidity and capital resources, and the expected market conditions.</p>
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Chapter D – Key Risks

D.1	Key risks specific to the Company or its industry	<p><i>Risks related to the Group and the industry in which it operates:</i></p> <ul style="list-style-type: none"> • The business, earnings and financial condition of Zwipe can be affected by any deterioration in the economic conditions in the markets in which Zwipe operates. • Unexpected changes to the legal landscape could adversely affect Zwipe's business operations. • Continuing rapid technological changes could increase competition or require Zwipe to make substantial additional capital expenditures. <p><i>Risks related to the Group's operations</i></p> <ul style="list-style-type: none"> • Competing technology: Higher than expected penetration rate of mobile payments may impact the smart card market. • Any delay in certification and/or customer roll out may delay and thereby adversely affect Zwipe's business and profitability. • Slow adoption rate of biometric sensors on cards, for reasons such as failure by the industry to reduce cost for biometric smart cards. • Zwipe's success is dependent on its ability to attract and retain partners, customers and its ability to scale mass production. • Although the Company has, and expects to continue to have, several customers, it is quite dependent on its business relationship with the world's largest Card Manufacturer, Gemalto. • Zwipe is dependent on key suppliers and vendors as well as third-party providers for the adequate and timely supply and maintenance of equipment and services. • Zwipe's failure to attract and retain qualified employees, including its senior management, may materially adversely affect Zwipe's future business and operations. • Zwipe's international operations are subject to inherent risks and could potentially expose Zwipe to risks in relation to compliance with anti-corruption laws. <p><i>Risks related to financing and market risk</i></p> <ul style="list-style-type: none"> • Zwipe's current loan arrangements, and future credit facilities, may contain one or more financial covenants which Zwipe could fail to meet. • Zwipe's ability to generate cash depends on many factors beyond Zwipe's control, and Zwipe may not be able to generate cash required to service its debt without raising additional funds. • Failure by Zwipe's counterparties to meet their contractual obligations may have a material adverse effect on Zwipe's financial position. • Zwipe is subject to risks related to valuation of Zwipe's assets and liabilities.
D.2	Key risks specific to the securities	<i>Risks related to the Shares</i>

		<ul style="list-style-type: none"> • No market currently exists, and an active trading market may not develop, for the Shares. • There can be no assurance that Shareholders residing or domiciled in the United States or other jurisdictions than Norway will be able to participate in future capital increases or rights offerings. • The subscription price of the Offer Shares may not be indicative of their market price after the Offering. • Future issuances of Shares or other securities in the Company may dilute the holdings of Shareholders and could materially affect the price of the Shares. • No due diligence investigations have been conducted for the Offering, and Zwipe may be subject to material losses or claims which neither the Company nor the Managers are aware of at the date of this Prospectus.
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Chapter E – Offer

E.1	Net proceeds and estimated expenses	Assuming that the Offering will be fully subscribed, transaction costs and all other directly attributable costs in connection with the Offering that will be borne by the Company are estimated to approximately NOK 9,800,000, thus resulting in net proceeds of approximately NOK 110,200,000 from the Offering.
E.2	Reasons for the Offering and Listing and use of proceeds	The purpose of the Offering is to strengthen the Group's equity and financial position, also including repayment of debt, and to secure working capital for the business, technological development and commercialization of the Company's technology.
E.3	Terms and conditions of the offer	<p>The Offering consists of an offer of Offer Shares to raise an amount up to NOK 120,000,000 by the issuance of up to 6,000,000 Offer Shares. Of these, 4,500,000 Offer Shares in the amount of NOK 90 million have been pre-committed by existing Shareholders, primary insiders and new investors in Norway and Sweden.</p> <p>The Offering is divided into a Private Placement and a Retail Tranche.</p> <p>The Offer Shares are being offered at a subscription price of NOK 20 (the "Subscription Price").</p> <p>The Private Placement will be structured as a private placement whereby 4,500,000 Offer Shares will be offered to a number of the large existing Shareholders, primary insiders and new investors in Norway and Sweden. The full subscription amount in the Private Placement, equal to NOK 90 million, has been pre-committed by the said investors. The Private Placement does not require a prospectus.</p> <p>The Retail Tranche will be structured as a private placement whereby up to 1,500,000 Offer Shares will be offered to non-professional investors in Norway and Sweden, including but not limited to Shareholders who are not allocated Offer Shares in the Private Placement. The Retail Tranche requires that a prospectus is prepared and approved by the Norwegian FSA.</p> <p>The application period for the Offering runs from 10 January 2019 to 17 January 2019 at 16:30 hours (CET) (the "Application Period").</p>

		<p>It is expected that notifications of allocation of Offer Shares in the Offering will be sent on or about 18 January 2019, by issuing allocation notes to the applicants by mail or otherwise.</p> <p>Payment for the allocated Offer Shares falls due on 22 January 2019. Applicants in the Private Placement having been allotted Offer Shares shall make payment in respect of the allotted Offer Shares to the account indicated in the allocation letter. Applicants in the Retail Tranche must provide an authorization to Carnegie, Nordnet Bank AB (org.no. 516406-0021 in Sweden) or Nordnet Bank NUF (org.no. 982 503 868 in Norway), as the case may be, ("Nordnet") to debit the bank account at Nordnet which the applicant has subscribed from for the amount payable for the Offer Shares allotted to such applicant. Nordnet has been appointed by the Managers as application office and receiving agent for applications for Offer Shares in the Retail Tranche.</p> <p>Assuming that payments from all applicants are made when due, delivery of the Offer Shares is expected to take place on or about 28 January 2019.</p>
E.4	Material and conflicting interests	<p>Carnegie and Redeye serve as Managers and Joint Bookrunners in connection with the Offering and receive fees and commission in this regard.</p> <p>The Managers and their affiliates are currently providing, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may receive and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company.</p> <p>Beyond the abovementioned, the Company is not aware of any interest of any natural or legal persons involved in the Offering that may have conflicting interest.</p>
E.5	Selling Shareholders and lock-up agreements	<p>Not applicable. There are no selling Shareholders in the Offering.</p> <p>3,255,136 Shares, which are held by members of Zwipe's Board and executive management (the "Management") will be subject to lock-up for a period of six (6) months following the completion of the Listing.</p>
E.6	Dilution	<p>Assuming that the Offering will be fully subscribed, the Offering will result in a dilution of the Shareholders not participating in the Offering of 63.66%.</p>
E.7	Estimated expenses charged to investor	<p>Not applicable. No expenses or taxes will be charged by the Company or the Managers to the Applicants in connection with the Offering.</p>

2 Risk factors

An investment in the Shares of the Company involves a number of risks, some of which could be substantial and some of which are inherent of the Company's business.

The Company is a biometric technology company that first and foremost focuses on the development and commercialization of its industry-leading battery-less dual interface biometric authentication technology. The primary application of this technology is to the payment industry. The Company's current product offering also include a clam-shell access control card. The focus on access and identification has however been curbed since the first quarter of 2018 and the focus has been centered towards the payment industry.

By subscribing for an interest in the Company, investors will be deemed to have acknowledged that any investment in the biometric tech sector will carry a high risk and that, accordingly, the investor may suffer a loss on such investment. Such a loss will be limited to the investor's share acquisition. An investment in the Shares in the Company is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The investor's return will be related to the Company's return and will primarily depend on whether the Company will be able to implement its strategy and achieve its objectives, as well as the general development in the biometric tech sector (including the Company's key area, payment) and the financial markets.

The risks and uncertainties described in this Chapter 2 "Risk factors" are the known risks and uncertainties faced by the Group as at the date hereof that the Company believes are relevant to an investment in the Shares. If any of the following risks were to materialize, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in the loss of all or part of an investment in the same.

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, financial condition, results of operations, cash flows and/or prospects.

Shareholders and prospective investors are cautioned not to place undue reliance on the Company's forward-looking statements and information. By its nature, forward-looking statements and information involve numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

2.1 Risks related to the Group and the industry in which the Group operates

The Group may not be able to implement its business strategy successfully or manage its commercialization and growth effectively

The Group's strategy as described in Chapter 7.4 "Strategic framework" is: (i) to be recognized as a global leader in ultra-low power, self-contained, biometric authentication solutions for physical and digital applications and (ii) to deliver shareholder value through efficient operations and profitable commercialization and future growth. Commercialization and future growth will depend on the successful implementation of the Group's business strategy. The Group's ability to achieve its business and financial objectives is subject to a variety of factors, many of which are beyond the Group's control. A principal focus

of the Group's strategy is to commercialize its biometric solutions and to grow, *inter alia*, through new business relationships, which will depend upon a number of factors, including the Group's ability to:

- maintain existing and develop new client relationships;
- successfully grow the Group's business;
- successfully manage the Group's liquidity and obtain the necessary financing to fund its commercialization and growth;
- identify and consummate desirable joint ventures and/or strategic alliances relevant to the Group's strategy; and
- identify and capitalize on opportunities in the market.

The Group's management will review and evaluate the business strategy with the Board of Directors on a regular basis. The Group's failure to execute its business strategy or to manage its commercialization and growth effectively could adversely affect the Group's business, prospects, financial condition and results of operations. In addition, there can be no guarantee that even if the Group successfully implements the Group's strategy, it would result in an improvement of the Group's results of operations. Furthermore, the Group may decide to alter or discontinue aspects of the Group's business strategy and may adopt alternative or additional strategies in response to the Group's operating environment or competitive situation or factors or events beyond the Group's control.

The biometric market is difficult to predict

The Group is operating within the unpredictable and rapidly evolving contactless payment and biometric authentication market together with market leading manufacturers and payment networks, and focuses on providing customers with enhanced security and control over applications and services using the Company's battery-less dual interface biometric authentication technology. As such, it is difficult to predict important market trends, including how large this market will be or when and which products will be adopted.

If the market for dual interface biometric authentication technology does not evolve as the Group anticipates this could have a material adverse effect on the Group's business, prospects, financial position and results of operations.

The macroeconomic environment may negatively affect the Group's operational and financial result

The activities of the Group are subject to economic, business and social conditions at a global level, which may fluctuate due to, without limitation, recession, inflation, higher borrowing rates and higher levels of unemployment. A deteriorating macroeconomic context may lead to a decrease in activity across all of the Group's business areas, which would have a negative impact on the business of the Group.

The market is highly competitive

The Group competes in markets that are highly competitive, fragmented and rapidly changing. The Group expects to continue to experience competition from current and potential competitors, some of which are better established and have significantly greater financial, marketing and distribution resources.

The markets in which the Group competes undergo rapid technological change, and the Group's future success will depend on its ability to meet the changing needs of its clients

For the Group to grow, it must continue to enhance and improve the functionality of its technology to address clients' changing needs. If new industry standards and practices emerge, the Group's existing technology may become obsolete. The Group's future success depends on its ability to:

- Develop new products and technologies that address the increasingly sophisticated and varied needs of prospective customers;
- Together with suppliers and partners to lowering the manufacturing cost of biometric payment cards so that the addressable market can be increased and the Group can ensure a continuous competitive position; and
- Respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis.

Developing the Group's technologies entails significant technical and business risks and substantial costs. The Group may use the new technologies ineffectively, or it may fail to adapt the Group's technologies to user requirements or emerging industry standards. Industry standards may not be established, and if they become established, the Group may not be able to conform to these new standards in a timely fashion or maintain a competitive position in the market. If the Group faces material delays in introducing new technologies and enhancements, the Group may fail to attract new customers and existing users may forego the use of the Group's products and use those of the Group's competitors.

Introduction of products based on new technology could gain wide market adoption and displace the Group's products

Introduction of new technologies could cause the Group's existing products to be less attractive to the customers. The Group may not be able to successfully anticipate or adapt to changing technologies or customer requirements on a timely basis.

If the Group fails to keep up with technological changes or to convince the customers of the value of their solutions even in light of new technologies, the Group's business, operating results and financial condition could be materially and adversely affected.

The Group's performance will depend on timely and successful certification, customer roll-out and commercialization of existing and new technologies and enhancements to such technologies

There is a risk that the Group will not be able to commercialize existing and new technologies successfully, and/or that the certification, customer roll-out and/or market adoption will take longer than the Group expects or that the market penetration will not be as big as the Group predicts.

The Group's continued success further depends on the ability to identify and develop new technologies and to enhance and improve its existing technologies, and the acceptance of such technologies by existing and new customers.

The introduction of new technologies or technology enhancements may shorten the life cycle of existing technologies, or replace sales of some of the current products, thereby offsetting the benefit of even a successful product introduction, causing customers to defer purchasing of existing products in anticipation of the new products.

If any of these risks were to occur, it could have a material adverse effect on the Group's business, prospects, financial position and results of operations.

The Group may experience operational problems that reduce revenue and increase costs

The Group's products are technically challenging. Operational problems or lack of easy implementation of them may lead to loss of revenue or higher than anticipated operating expenses may require additional capital expenditures. Any of these results could adversely affect the Group's business, financial condition and operating results.

The Group may not be able to maintain sufficient insurance to cover all risks related to its operations

The Group's business is subject to a number of risks and hazards, including, but not limited to industrial accidents, labor disputes and changes in the regulatory environment. Such occurrences could result in damage to properties, personal injury, monetary losses and possible legal liability. Although the Group seeks to maintain insurance or contractual coverage to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with the Group's operations. Any material risks in respect of which the Group does not have sufficient insurance coverage may result in a material adverse effect on its financial condition, operating results and/or cash flows.

Changes in laws and regulation may have an adverse effect on the Group's profitability

Operations in international markets are subject to risks inherent in international business activities, including, in particular, fluctuating economic conditions, overlapping and differing tax structures, managing an organization spread over various jurisdictions, unexpected changes in regulatory requirements, specification requirements from the payment industry and complying with a variety of foreign laws and regulations. Changes in the legislative, governmental and economic framework, or in its interpretation, could have a material negative impact on the Group's results of operations and financial condition.

The Group may be unable to attract and retain key management personnel and other employees, which may negatively impact the effectiveness of the Group's management and results of operations

The Group's success depends to a significant extent upon the abilities and efforts of the Group's management team and its ability to retain key members of the management team, including recruiting, retaining and developing skilled personnel for its business. The demand for personnel with the capabilities and experience required in the industry is high, and success in attracting and retaining such employees is not guaranteed. There is intense competition for skilled personnel and there are, and may continue to be, shortages in the availability of appropriately skilled people at all levels. Shortages of qualified personnel or the Group's inability to obtain and retain qualified personnel could have a material adverse effect on the Group's business, results of operations, cash flow and financial condition.

Some of the Group's products may rely on the availability of licenses to third-party software and other intellectual property

Some of the Group's products may include software or other intellectual property licensed from third parties, and the Group otherwise uses software and other intellectual property licensed from third parties in development of products.

The inability to obtain or maintain certain licenses or other rights or the need to engage in litigation regarding these matters, could result in delays in releases of products and could otherwise disrupt the Group's business, until equivalent technology can be identified, licensed or developed, and integrated into the products.

These events could have a material adverse effect on the Group's business, operating results and financial condition.

The Group is dependent on intellectual property and its methods of protecting its intellectual property may not be adequate

The Group's business and business strategy are tied to its technology. The Group is protected by a portfolio of trade secrets (including copyrights) and approved patents, but the Group cannot give assurances that its measures for preserving its trade secrets and confidential information are sufficient to prevent others from obtaining that information. The Group may not have adequate remedies to preserve the trade secrets or to limit the Group's loss if its employees breach their confidentiality agreements with the Group. The Group cannot give assurances that its trade secrets will provide the Group with any competitive advantage, as it may become known to or be independently developed by the Group's competitors, regardless of the success of any measures the Group may take to try to preserve its confidentiality. Further, the Group cannot give assurances that all employees are bound by adequate provisions in their employment contracts regarding ownership of the Group's intellectual property rights.

Third parties may illegally copy the Group's products or violate its patents and utility models

Illegal copies of the Group's products or misuse of its brand and/or patents may cause loss of revenue and damage to the Group's brand.

Despite the Group's efforts to protect its proprietary technology and trade secrets, unauthorized parties may attempt to misappropriate, reverse engineer or otherwise obtain and use them. The Group may be unable to determine the extent of any unauthorized use or infringement of their products, technologies or intellectual property rights.

These risks could have a material adverse effect on the Group's business, prospects, financial position and results of operations.

The Group faces risks of claims for intellectual property infringement

The Group's competitors or other persons may already have obtained, or may in the future obtain, patents relating to one or more aspect of the Group's technology or products. If the Group is sued for patent infringement, it may be forced to incur substantial costs in defending itself. If litigation were to result in a judgement that the Group infringed a valid and enforceable patent, a court may order the Group to pay substantial damages to the owner of the patent and to stop using any infringing technology or products. This could cause a significant disruption in the Group's business and force the Group to incur substantial costs to develop and implement alternative, non-infringing technology or products, or to obtain a license from the patent owner. This could also lead the Group's clients to bring warranty claims against the Group. The Group cannot give assurance that it would be able to develop non-infringing alternatives at a reasonable cost that would be commercially acceptable, or that it would be able to obtain a license from any patent owner on commercially acceptable terms, if at all.

The Group may be subject to litigation that could have a material adverse effect on the Group's business, results of operations, cash flow and financial condition

While the Group is currently not involved in any litigation, there can be no assurance that the Group may not become involved in such litigation in the future. The Group cannot predict with certainty the outcome or effect of any claim or other litigation matter. Any future litigation may have a material adverse effect on the Group's business, results of operations, cash flow and financial condition, and have a potential negative outcome. In addition, there may be significant costs associated with bringing or defending such lawsuits, and management's attention to these matters may divert their attention from the Group's operations.

The Group faces risks of business interruption

In the course of its business activities, the Group may be subject to adverse events and crises (caused by, for example and without limitation, natural disasters, defective products and/or services and IT infrastructure unavailability). Such internal or external events may materialize unexpectedly, have adverse consequences and significantly affect the Group's reputation, financial results as well as its ability to meet its objectives.

The Group runs risks of non-success when bidding for contracts and execution failures of major contracts

The execution by the Group of complex contracts may require important allocations of resources and incur a high level of liability for the Group. Failure by the Group to accurately assess its chances to be selected within the framework of a bid process may lead to an inadequate allocation of resources and management time and to additional expenditures in costs and time. In addition, a poor understanding and/or implementation of the expectations and needs of its clients could lead the Group to a potential failure in the performance of the relevant contracts, which may affect its financial results as well as its ability to meet its objectives.

The Group relies on contract manufacturers to manufacture the products

If the Group fails to manage the relationship with the current contract manufacturers or if the contract manufacturers experience delays, disruptions, capacity constraints or quality problems in their operations, shipping products to the Group's customers could be impacted.

If the Group is required to change contract manufacturer it may incur increased costs and production delays to qualify a new contract manufacturer and initiate production.

Failure to manage the Group's relationships with contract manufacturers successfully could negatively impact its business.

Damage to the Group's reputation and business relationships may have an adverse effect beyond any monetary liability

The Group's business depends on client goodwill, the Group's reputation and on maintaining good relationships with its clients, partners, suppliers and employees. Any circumstances that publicly damage the Group's goodwill, injure the Group's reputation or damage the Group's business relationships may lead to a broader adverse effect and prospects than solely the monetary liability arising directly from the damaging events by way of loss of business, goodwill, clients, partners and employees.

Risk relating to operations in foreign countries

The Group's products are sold across the globe. Consequently, the Group may be exposed to political risk, corruption, terrorism, outbreak of war, amongst others. The business, financial condition and results of operations of the Company, indirectly, and its underlying investments directly, may accordingly be negatively affected if such events do occur.

2.2 Risks relating to macroeconomic conditions and financial markets

Uncertain global economic conditions could adversely affect the Group's business, results of operations, financial condition, liquidity and capital resources

After a number of years with uncertain global economic and financial market conditions, which have had an adverse effect on general business conditions, the global economy has shown relatively clear signs of recovery over the last couple of years. However, the recent increase in geopolitical tensions, in particular the start of a trade war between the U.S. and China, but also indications of trade restraints between the U.S. on the one hand and the European Union ("EU"), Canada and other significant economies on the other, are currently giving new uncertainty to the global markets. This comes in addition to uncertainty due to the international sanctions signaled from the U.S. against Iran and corporations outside of the U.S. doing business with Iran, by the U.S. and the EU against Russia due to the events in Crimea and export limitations imposed by Russia towards the EU and the U.S. as a counteraction. Such geopolitical tensions may have a material adverse effect on the economic climate and may limit or disrupt the Group's commercial development.

Volatility in global financial markets could adversely affect the revenues and growth strategy of the Group, which in turn could have a material and adverse effect on the value of, and the dividends received from, the Group

Over the past 10-12 years, the financial markets have faced periods of significant volatility and liquidity constraints, which in turn have caused the capital markets and lenders to reduce, and in some cases, cease to provide funding to issuers and borrowers. Although the volatility in the financial markets has come down over the last years, a similar situation may occur in the future, which could have an adverse effect on the global economy and financial and commodities markets in particular.

Turmoil in the global financial markets and the potential impact on the liquidity of major financial institutions and sovereigns may have a material adverse effect on the cost of, and conditions relating to, funding. General economic conditions and geopolitical turmoil could have a material and adverse effect on the business, results of operations, financial condition and prospects of the Group, which in turn could have a material and adverse effect on the value of, and the dividends received from, the Group.

In order to execute the Group's commercialization and growth strategy, the Group may require additional capital in the future, which may not be available

To the extent the Group does not generate sufficient cash from operations, the Group may need to raise additional funds through debt or additional equity financings to execute the Group's growth strategy and to fund capital expenditures. Adequate sources of capital funding may not be available when needed or may not be available on favorable terms. The Group's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms. If the Group raises additional funds by issuing additional shares or other equity or equity-linked securities, it may result in a dilution of the holdings of existing Shareholders. If funding is insufficient at any time in the

future, the Group may be unable to fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Group's results of operations, cash flow and financial condition.

Future debt levels could limit the Group's flexibility to obtain additional financing and pursue other business opportunities

The Group may incur additional indebtedness in the future. This level of debt could have important consequences to the Group, including the following:

- the Group's ability to obtain additional financing for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may be unavailable on favorable terms;
- the Group's costs of borrowing could increase as it becomes more leveraged;
- the Group may need to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to its Shareholders;
- the Group's debt level could make it more vulnerable than its competitors with less debt to competitive pressures, a downturn in its business or the economy generally; and
- the Group's debt level may limit its flexibility in responding to changing business and economic conditions.

The Group's ability to service its future debt will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Group may not be able to affect any of these remedies on satisfactory terms, or at all.

Interest rate fluctuations could affect the Group's cash flow and financial condition

The Group is exposed to interest rate risk in relation to its future interest bearing debt if such debt is issued at floating interest rates. Consequently, movements in interest rates could have material adverse effects on the Group's cash flow and financial condition.

Risks associated with exchange rate fluctuation

The Group has operations that will generate cash flows primarily in USD. Although, the Group's main currency is USD, the Group prepares its financial statements in NOK. Because the Group reports financial results in NOK, the Group faces a currency risk to the extent that the assets, liabilities, revenues and expenses of the Company's subsidiary are denominated in currencies other than NOK. In order to prepare the Group's financial statements, the Group translates the values of these assets, liabilities, revenues and expenses into NOK at the applicable exchange rates. Future variations in the exchange rate could therefore have an impact on the Group's reported financial results.

The Group may encounter financial reporting risks

As part of its responsibility to prevent and detect errors and fraud affecting its financial statements, the Group's management has set up specific accounting and reporting procedures in relation to, amongst other things, revenue recognition process, taxation and other complex accounting issues. Any failure to prevent and detects errors and fraud within the implementation of such procedures may affect its reputation, business, financial results as well as its ability to meet its objectives.

2.3 Risks relating to the Shares

The Company will incur increased costs as a result of the Listing

As a publicly traded company with the Shares listed on Merkur Market, the Company will be required to comply with Merkur Market's reporting and disclosure requirements. The Company will incur additional legal, accounting, management and other expenses to comply with these and other applicable rules and regulations.

The price of the Shares may fluctuate significantly

The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including, but not limited to, quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, or any other risk discussed herein materialising or the anticipation of such risk materialising.

An active trading market may not develop

There can be no assurance that an active market for the Shares will be sustained. Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Shares will be subject to market trends generally and the quoted price of the Shares on Merkur Market may be affected by such volatility in response to numerous factors. Factors unrelated to the financial performance or prospects of the Company include macroeconomic developments, and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in commodity prices will not occur. Because of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company.

Future sales, or the possibility for future sales of substantial numbers of Shares may affect the Shares' market price

The Company cannot predict what effect, if any, future sales of Shares, or the availability of Shares for future sales, will have on their market price. Sales of substantial amounts of Shares in the public market, or the perception that such sales could occur, may adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares in the future at a time and price that they deem appropriate.

Future issuances of shares or other securities may dilute the holdings of Shareholders and could materially affect the price of the Shares

The Company may issue additional shares in the future, which may dilute a Shareholder's holdings in the Company. Such future issuances could also materially affect the price of the Shares.

Investors may not be able to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties in addition) may not be able to instruct their nominees to vote for such Shares unless their beneficial ownership is re-registered in their names with the VPS prior to the general meetings. The Company can provide no assurances that beneficial owners of the Shares will receive the notice of a general meeting in time to instruct their nominees to either effect a re-registration of the beneficial interests registered in the VPS or to vote their Shares in the manner desired by such beneficial owners.

The Company may be unwilling or unable to pay any dividends or make distributions

The Company has not paid any dividends and is unlikely to pay dividends in the immediate or foreseeable future.

The future payment of dividends on Shares will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Board of Directors may consider appropriate in the circumstances.

The Company may choose not, or may be unable, to pay dividends or make distributions in future years. Furthermore, the amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial condition and capital requirements, the ability of the Company's subsidiary to pay dividends to the Company, credit terms, general economic conditions, legal restrictions and other factors that the Company may deem to be significant from time to time.

3 Responsibility for the Prospectus

This Prospectus has been prepared in connection with the Offering described herein and will also be used as an admission document connected to the planned listing of the Shares on Merkur Market.

The board of directors of Zwipe accepts responsibility for the information contained in this Prospectus. The Board of Directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import.

9 January 2019

The board of directors of Zwipe AS

(Sign.)

Jörgen Lantto
Chairman

(Sign.)

Kim Kristian Humborstad
Deputy chair

(Sign.)

Lars Fredrik Windfeldt
Board member

(Sign.)

Weizi Huang
Board member

(Sign.)

Espen Tøndel
Board member

(Sign.)

Francis van den Bosch
Board member

(Sign.)

Johan Biehl
Board member

(Sign.)

Dennis Jones
Board member

4 General information

4.1 Other important investor information

The Company has furnished the information in this Prospectus.

The Managers disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this Prospectus or any such statement.

Neither the Company nor the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

4.2 Presentation of financial information and other information

4.2.1 *Financial information*

The Group's financial statements as of, and for the years ended, 31 December 2017, 2016 and 2015, together referred to as the "**Audited Financial Statements**", are prepared in accordance with Norwegian Generally Accepted Accounting Principles (NGAAP).²

Further, the Company's unaudited interim financial statement as of, and for the six months ended, 30 June 2018 (the "**Interim Financial Statement**"), has been prepared in accordance with NGAAP.

The Audited Financial Statements and the Interim Financial Statement are hereinafter collectively referred to as the "**Financial Statements**". Zwipe presents the Financial Statements in NOK rounded to the nearest thousands.

The Audited Financial Statements have been audited by BDO, as set forth in their auditor reports included therein. Zwipe's auditor, BDO, has not refused any audit report on the Audited Financial Statements and has issued all audit opinions without qualifications. BDO is member of the Norwegian Institute of Public Accountants ("Den norske Revisorforening og autorisert regnskapsførerselskap"). BDO has not audited, reviewed or produced any report on any other information provided in this Prospectus. BDO audit reports on the audited financial statements for 2015, 2016 and 2017 are incorporated by reference as set out in Chapter 18.2 "Documents incorporated by reference".

4.2.2 *Industry and market data*

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as the Group, as well as the Group's internal data and its own experience, or on a combination of the foregoing. Unless otherwise indicated in this Prospectus, the basis for any statements regarding the

² Please note that the financial statements as of, and for the year ended, 31 December 2015, have been prepared in accordance with NGAAP for smaller enterprises, NRS 8

Group's competitive position is based on Zwipe's own assessment and knowledge of the market in which it operates.

Zwipe confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as Zwipe is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. Zwipe does not intend, and does not assume any obligations to, update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Zwipe has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and projections, assumptions and estimates based on such information may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Chapter 2 "Risk factors" and elsewhere in this Prospectus.

4.2.3 *Currency and rounding*

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway.

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.3 **Cautionary note regarding Forward-Looking Statements**

This Prospectus includes forward-looking statements and forward-looking information (collectively, "**Forward-Looking Statements**"), including, without limitation, projections and expectations regarding the Group's future financial position, business strategy, plans and objectives.

These Forward-Looking Statements relate to future events or future performance. All Forward-Looking Statements contained herein that are not clearly historical in nature constitute Forward-Looking Statements, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", or the negative of these terms or other comparable terminology are generally intended to identify Forward-Looking Statements. Such statements represent the Company's internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital expenditures, anticipated future debt levels and revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those

anticipated in the Forward-Looking Statements. In addition, this Prospectus and the documents incorporated by reference herein may contain Forward-Looking Statements attributed to third party industry sources. The Company believes that the expectations reflected in these Forward-Looking Statements are reasonable; however, undue reliance should not be placed on these Forward-Looking Statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

Prospective investors in the Offer Shares are cautioned that Forward-Looking Statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Company and the Group operate, may differ materially from those made in, or suggested by, the Forward-Looking Statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its Forward-Looking Statements are based will occur.

Forward-Looking Statements in this Prospectus and the documents incorporated by reference herein include, but are not limited to, statements with respect to:

- General economic conditions in the Nordic region, in Europe, Asia, Middle East and elsewhere, and any adverse development in the Nordic region, in the European, Asian or global economic and financial markets;
- The competitive nature of the markets in which the Group operates;
- Variations in costs and availability of funding;
- Availability of capital in the future;
- Capital adequacy requirements;
- Success of brand and ability to acquire and retain customers at a reasonable cost;
- Operational risks related to systems and processes;
- Inadequacy in internal control procedures;
- Failure to attract or retain the management or other key employees;
- Failure or inadequacy in IT systems;
- Vulnerability to cyber-attacks and security breaches;
- Insufficient insurance coverage;
- Failure to implement Zwipe's business strategy;
- Changes in legislation and regulations which may affect the Group's business;
- Significant litigation, claims and compliance risks;
- Failure in automated procedures and services from external providers;

- Changes in political events, and
- Force majeure events.

Some important factors that could cause actual results to differ materially from those in the Forward-looking Statements are, in certain instances, included with such Forward-looking Statements and in Chapter 2 "Risk factors" in this Prospectus.

The information contained in this Prospectus, including the information set out under Chapter 2 "Risk factors", identifies additional factors that could affect the Group's business, financial condition, results of operations, cash flows, liquidity and performance. Prospective investors in the Shares are urged to read all Chapters of this Prospectus and, in particular, Chapter 2 "Risk factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which Zwipe operates when considering an investment in Zwipe.

These Forward-looking Statements speak only as of the date of this Prospectus. Zwipe undertakes no obligation to publicly update or revise any Forward-looking Statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation.

Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these Forward-looking Statements.

5 The Offering

5.1 The purpose of the Offering and the use of the proceeds

The purpose of the Offering is to strengthen the Group's equity and financial position also including repayment of debt, and secure working capital for the business, technological development and commercialization of the Company's technology.

Assuming that the Offering will be fully subscribed, transaction costs and all other directly attributable costs in connection with the Offering that will be borne by the Company are estimated to approximately NOK 9.8 million, thus resulting in net proceeds of approximately NOK 110.2 million from the Offering.

As soon as the Offering has been settled and the Offer Shares have been issued, the Shares, including the Offer Shares, will be listed on Merkur Market.

5.2 Overview of the Offering

The Offering comprises of up to 6,000,000 Offer Shares, each with a nominal value of NOK 0.10, to be issued by the Company.

The Offering consists of:

- A private placement of 4,500,000 Offer Shares with a total subscription amount of NOK 90 million, where Offer Shares are being offered to a number of the large existing Shareholders, primary insiders and new investors in Norway and Sweden (the "**Private Placement**"), the Private Placement is fully pre-committed by the said investors; and
- A Retail Tranche in which Offer Shares are being offered to non-professional investors in Norway and Sweden, including but not limited to Shareholders who are not allocated Offer Shares in the Private Placement, subject to a lower limit per application of NOK 7,000 (equal to 350 Offer Shares) for each investor (the "**Retail Tranche**"), no part of the Retail Tranche has been pre-committed.

The Private Placement and the Retail Tranche will be included in one and the same transaction, but in two separate resolutions to be made by an extraordinary general meeting ("**EGM**") to be held in the Company.

The subscription price (the "**Subscription price**") will be NOK 20.00 per share.

The final number of Offer Shares will be determined by the EGM, on the basis of, *inter alia*, the number of applications received in the Offering and the level of demand.

Assuming that all the Offer Shares are sold in the Offering, the total proceeds excluding costs connected to the Offering will be NOK 120 million.

The Shareholders' preferential right to subscribe for new Shares is expected to be set aside in the Board's proposal, and the EGM's resolution, on the Offering. The beneficiaries of such decision are expected to be the Shareholders and external investors who will be offered to subscribe for and allocated Offer Shares in the Offering.

It is the Board's opinion that setting aside the Shareholders' preferential right in the Private Placement and the Retail Tranche is in compliance with the equal treatment requirements under the Companies Act Section 5-21 in particular due to the following reasons:

- a) Zwipe is currently in a financially challenging situation; even though it has recently obtained confirmation of an EU grant of approximately NOK 23 million over the next two years, the Company needs further funding quite soon in order to keep its business development going at the desired pace;
- b) the new capital made available through the Offering is a result of hard work by the Company and the Managers in the investor markets in Norway and Sweden over a considerable period of time to ensure the highest possible price per Offer Share in today's relatively challenging capital market; thus, the Board is convinced that new capital is not likely to be available to the Company at terms better for the Company or the joint shareholder interest;
- c) the Offering gives the Company access to the new capital in time for the Listing where the Company must explain how liquidity for the next twelve months will be provided for;
- d) the choice of a private placement gives the Company the opportunity to seek to attract new investors with qualities that could contribute to strengthen the Company on a long-term basis; and
- e) the Company will compensate Shareholders who are not allocated Shares in the Private Placement with an offer to subscribe for Offer Shares at the Subscription Price in the Retail Tranche.

The application period for the Private Placement and the Retail Tranche is expected to take place from 10 January 2019 at 09:00 hours (CET) to 17 January 2019 at 16:30 hours (CET) through Carnegie and Redeye (the "**Application Period**"), while subscription through Nordnet in the Retail Tranche will end on 16 January 2019 at 23:59 hours (CET).

The Offer Shares allocated in the Offering are expected to be traded on Merkur Market, from and including 28 January 2019.

There are no selling Shareholders in the Offering.

Lock-up of Shareholders and members of the management and Board connected to the Offering has been described in Chapter 5.16 "Lock-up".

5.3 Timetable for the Offering

Event:	Date(s):
Intention to float press release	4 January 2019
Board meeting for approval of this Prospectus	9 January 2019
Prospectus approval by the Norwegian FSA	9 January 2019
Norwegian FSA notifies the Swedish FSA (Finansinspektionen) about the Offering	9 January 2019
The Board of Directors resolves to start the Application Period	On or about 9 January 2019
Prospectus publication	On or about 9 January 2019
Launch of Offering press release	On or about 9 January 2019
Application Period commences	On or about 10 January 2019 at 09:00 hours (CET)

The EGM is called	On or about 11 January 2019
Application Period ends	On or about 17 January 2019 at 16:30 hours (CET)
Allocation of the Offer Shares	On or about 17 January 2019
Publication of the results of the Application Period	On or about 18 January 2019
The Offering is approved by the EGM	On or about 18 January 2019
Distribution of allocation letters / contract notes	On or about 18 January 2019
Settlement / debiting of specified bank	On or about 22 January 2019
Registration of the new share capital in the Norwegian Register of Business Enterprises	On or about 25 January 2019
Delivery of Offer Shares under the Offering	On or about 28 January 2019
First day of trading on Merkur Market	On or about 28 January 2019

5.4 Use of proceeds

The gross proceeds from the sale of Offer Shares in the Offering are targeted to be NOK 120 million, assuming that all the Offer Shares in the Offering are sold. After deduction of estimated expenses of NOK 9.8 million, the net proceeds are expected to be approximately NOK 110.2 million.

The Company intends to use the net proceeds from the Offering to strengthen the Group's equity and financial position also including repayment of debt, to ensure sufficient funding of the Group's planned commercialization phase including working capital for the business and the further development of the Company's technology. Repayment of debt (the Kuang-Chi Loan) is expected to amount to approximately NOK 14.3 million and required working capital for the next 12 months is expected to be approximately NOK 123 million assuming that a monthly operational burn rate going forward will be approximately NOK 9 million, please see further details regarding the necessary working capital in Chapter 10.3 "Working capital statement and future financing need".

5.5 The Private Placement

5.5.1 Overview

The Private Placement will be structured as a private placement whereby up to 4,500,000 Offer Shares will be offered to existing Shareholders and new investors in Norway and Sweden. The Private Placement is fully pre-committed by the said investors.

Investors applying for Offer Shares in the Private Placement, including such investors' related parties as defined in the Norwegian Private Limited Liability Companies Act (the "**Companies Act**") Section 1-5, may not apply for Offer Shares in the Retail Tranche. In the event an investor or its related parties place applications for Offer Shares both in the Private Placement and the Retail Tranche, the subscriber and its related parties run the risk of either having the multiple applications accumulated or of having both applications annulled.

5.5.2 Resolution on increase of share capital in the Private Placement

The issuance of the Offer Shares in the Private Placement and thus, completion of the Private Placement is subject to an EGM passing a resolution to increase the Company's share capital, in all material respects in accordance with the following, which will be proposed to the EGM following the Application Period:

"The share capital of the Company is increased pursuant to Section 10-1 of the Norwegian Private Limited Liability Companies Act on the following terms:

- a) The share capital is increased with NOK 450,000 by issuing NOK 4,500,000 new shares.*
- b) The nominal value of each share is NOK 0.10.*
- c) The subscription price is NOK 20 per share (the "Subscription Price"). Of the total proceeds of NOK 90 million, NOK 89,550,000 shall be allocated as share premium in the balance sheet.*
- d) The new shares shall be offered to the persons listed in Appendix I, from whom the Company during the application period has received an application for new shares in the private placement, with the number of new shares set out next to each of them. The existing shareholders' preferential right to subscribe for shares pursuant to Section 10-4, cf. Section 10-5, of the Norwegian Private Limited Liability Companies Act is set aside.*
- e) The shares shall be subscribed for by Carnegie AS on basis of authorizations from the applicants on a separate subscription form by the end of 18 January 2019.*
- f) The subscription amount shall be paid in cash by means of payment to a dedicated settlement account in the name of Carnegie AS with account number 6005.05.69988 in Nordea Bank Abp, Norwegian Branch no later than 22 January 2019.*
- g) The new shares will entitle the holder to dividends which are resolved subsequent to the increase in the share capital being registered in the Norwegian Register of Business Enterprises. The new shares will in all other respects, including with regard to voting rights, be equal to the issued shares of the Company from the registration of the capital increase in the Register of Business Enterprises.*
- h) § 4 of the articles of association is amended to read as follows:*

"The company's share capital is NOK 1,392,566.20, divided into 13,925,662 shares, each with a nominal value of NOK 0.10."

5.5.3 Subscription Price

The subscription price of NOK 20.00 has been proposed by the Board after consultation with the Managers, but will be finally decided by the EGM.

5.5.4 Application Period

The Application Period in the Private Placement will last from 10 January 2019 at 09:00 hours (CET) to 17 January 2019 at 16:30 hours (CET) through Carnegie (the "**Application Period**") after which no further orders will be accepted by Carnegie (while subscription in the Retail Tranche through Nordnet will end on 16 January 2019 at 23:59 hours, after which no orders will be accepted by Nordnet).

5.5.5 *Application procedure and application office*

Applications for Offer Shares in the Private Placement must be made during the Application Period by informing Carnegie as shown below of the number of Offer Shares that the investor wishes to order, or by using the application form for the Private Placement (the "**Private Placement Application Form**").

Carnegie AS
Fjordalléen 16, Aker Brygge
N-0250 Oslo
P.O. Box 684 Sentrum
N-0106 Oslo
Norway
Tel: +47 22 00 93 60
E-mail: subscriptions@carnegie.no
Website: www.carnegie.no

Any orally placed application in the Private Placement will be binding upon the investor and subject to the same terms and conditions as a written application. Carnegie may, at any time and at its sole discretion, require the investor to confirm any orally placed application in writing. Applications made may be withdrawn or amended by the investor at any time up to the end of the Application Period. At the close of the Application Period, all applications in the Private Placement that have not been withdrawn or amended, are irrevocable and binding upon the investor.

5.5.6 *Allocation Date*

Notifications of allocations in the Private Placement are expected to be issued by Carnegie on or about 18 January 2019. Applicants may contact Carnegie in order to be informed about their allocations on this date.

The Offer Shares allocated to the applicants in the Private Placement will formally be determined by the EGM in a meeting to be held on or about 17 January 2019.

5.5.7 *Payment for the allocated Offer Shares*

Payment in respect of the Offer Shares allocated to applicants in the Private Placement shall be made on or by 22 January 2019 to the account indicated in the allocation letter/contract note.

Overdue payments will be charged with interest at the applicable rate according to the Norwegian Act on Interest on Overdue Payments of 17 January 1976 no. 100. Said interest rate is 8.75% as at the date of this Prospectus. If payment for the allocated Offer Shares is not received by the relevant deadline, the Board reserves the right to cancel or reduce the application, or to sell, re-allot or otherwise dispose all or parts of the allocated Offer Shares at the applicant's risk and cost. The relevant applicant will be liable for any loss, cost and expenses suffered or incurred by the Company and the Managers as a result of or in connection with such actions. The relevant applicant remains liable for payment of the entire amount due; interest, costs, charges and expenses accrued, and the Company and the Managers may enforce payment for any such amount outstanding.

5.5.8 *Delivery of the allocated Offer Shares*

Offer Shares allocated to applicants in the Private Placement will, subject to timely payment, be delivered to the relevant applicants' VPS accounts and will be available for the applicant on or about 28 January 2019. No physical certificates will be issued in respect of the Offer Shares. Applicants wishing to transfer and sell

their allocated Offer Shares prior to settlement taking place will nonetheless bear the risk for due payment of the Offer Shares allocated to them.

5.6 The Retail Tranche

5.6.1 Overview

The Retail Tranche will be structured as a placement whereby up to 1,500,000 Offer Shares will be offered to non-professional investors in Norway and Sweden, including but not limited to Shareholders who are not allocated Offer Shares in the Private Placement.

Investors ordering Offer Shares in the Retail Tranche, including such investors' related parties as defined in the Companies Act Section 1-5, may not order Offer Shares in the Private Placement. In the event an investor or its related parties subscribes in both the Private Placement and the Retail Tranche, the subscriber and its related parties run the risk of either having the multiple applications accumulated or of having both applications annulled.

5.6.2 Resolution on increase of share capital in the Retail Tranche

The issuance of the Offer Shares in the Retail Tranche and, thus, completion of the Retail Tranche is subject to an EGM passing a resolution to increase the Company's share capital, in all material respects in accordance with the following, which will be proposed to the EGM following the Application Period:

"The share capital of the Company is increased pursuant to Section 10-1 of the Norwegian Private Limited Liability Companies Act on the following terms:

- a) The share capital is increased with up to NOK 150,000 by issuing up to NOK 1,500,000 new shares.*
- b) The nominal value of each share is NOK 0.10.*
- c) The subscription price is NOK 20 per share (the "Subscription Price"). Of the total proceeds of up to NOK 30,000,000, up to NOK 29,850,000 shall be allocated as share premium in the balance sheet.*
- d) The new shares shall be offered to the persons listed in Appendix 2, from whom the Company during the application period has received applications for new shares in the retail tranche, with the number of new shares set out next to each of them. The existing shareholders' preferential right to subscribe for shares pursuant to Section 10-4, cf. Section 10-5, of the Companies Act is set aside.*
- e) The shares shall be subscribed for by Carnegie AS ("Carnegie") on basis of authorizations from the applicants on a separate subscription form by the end of 18 January 2019.*
- f) For applications in the retail tranche who are existing customers of Carnegie, the subscription amount for the new shares allotted to such applicants will be debited the relevant account of each such applicant on or about 22 January 2019 in accordance with the terms of the retail tranche. Applications in the retail tranche who are not existing customers of Carnegie, shall pay the subscription amount to a dedicated settlement account in the name of Carnegie AS with account number 6005.05.69988 in Nordea Bank Abp, Norwegian Branch no later than 22 January 2019. The terms of the retail tranche are further described in described in the prospectus dated 9 January 2019 Chapter 5.6.*

- g) *The new shares will entitle the holder to dividends which are resolved subsequent to the increase in the share capital being registered in the Norwegian Register of Business Enterprises. The new shares will in all other respects, including with regard to voting rights, be equal to the issued shares of the Company from the registration of the capital increase in the Register of Business Enterprises.*
- h) *§ 4 of the articles of association is amended to read as follows:*

"The company's share capital is NOK 1,542,566.20, divided into 15,425,662 shares, each with a nominal value of NOK 0.10."

5.6.3 *Subscription Price*

The Subscription Price for Offer Shares sold in the Retail Tranche will be the same as that for the Private Placement, see Chapter 5.5.3 "Subscription Price".

Applicants in the Retail Tranche ("Retail Applicants") will be deemed to have ordered the number of Offer Shares in accordance with their respective application, as submitted to Nordnet or Carnegie (for existing Shareholders) as the case may be, pursuant to which Carnegie is authorized to subscribe for Offer Shares on behalf of such retail applicants.

On 16 January 2019 at 23:59 hours (CET), each Nordnet Retail Applicant must have funds on his/her Nordnet account equal to or in excess of his/her subscription amount, being the sum of: (i) the maximum number of Offer Shares ordered under his/her application multiplied by (ii) the Subscription Price of NOK 20.00. If such funds are not available at the relevant Nordnet Retail Applicant's account in Nordnet at the said point in time, then that Nordnet Retail Applicant's application for Offer Shares in the Retail Tranche may be considered invalid at Nordnet's sole discretion and may not be processed by Nordnet.

5.6.4 *Application Period*

The Application Period in the Retail Tranche will last from 10 January 2019 at 09:00 hours (CET) to 17 January 2019 at 16:30 hours (CET) at Carnegie and to 16 January 2019 at 23:59 hours (CET) at Nordnet. All applications from Nordnet Retail Applicants must be placed through the Nordnet website, while applications from existing Shareholders who are applicants in the Retail Tranche ("Existing Shareholder Retail Applicants") may also be placed through Carnegie by the use of the Application Form – Retail Tranche (see Chapter 5.6.6 "Application procedures and application office").

Properly completed applications for Offer Shares must be received by Carnegie (for Existing Shareholder Retail Applicants) by 16:30 hours (CET) on 17 January 2019 in order to be considered and by Nordnet by 23:59 hours (CET) on 16 January 2019.

Applications for Offer Shares in the Retail Tranche that are incomplete may be considered invalid at Nordnet's or Carnegie's (for Existing Shareholder Retail Applicants) sole discretion and may not be processed by Nordnet or Carnegie.

5.6.5 *Minimum application*

The Retail Tranche is subject to a minimum application amount of NOK 7,000 (or 350 Offer Shares) for each applicant.

Multiple applications are allowed. In the case of multiple applications through Nordnet, all applications will be counted.

5.6.6 *Application procedures and application office*

Nordnet (Nordnet Bank AB in Sweden and Nordnet Bank NUF in Norway) serves as alternative application office and receiving agent for applications for Offer Shares in the Retail Tranche from investors who are not existing Shareholders.

Retail Applicants may choose to subscribe for Offer Shares in the Retail Tranche through Carnegie instead, see below.

Nordnet Retail Applicants who are already account customers of Nordnet:

Persons who are already account customers of Nordnet may apply for Offer Shares in the Retail Tranche through their Nordnet account. Such persons can access their Nordnet account through the top menu: *"min konto"* / *"min depå"*, and apply for Offer Shares in the Retail Tranche in the drop-down menu *"Børsnoteringer"/"Nyintroduktioner"*. Funds for the whole amount subscribed for must be available at the account which the customer subscribed from at 23:59 on 16 January 2019. All Applicants may also apply for Offer Shares in the Retail Tranche through Carnegie, see below.

Nordnet Retail Applicants who are not account customers of Nordnet:

Persons who are not account customers of Nordnet but who want to subscribe through Nordnet, have to apply for an account in Nordnet in order to apply for Offer Shares in the Retail Tranche through Nordnet. Existing Shareholder Retail Applicants may also apply for Offer Shares in the Retail Tranche through Carnegie, see below.

In order to apply for an account in Nordnet, please go to www.nordnet.no (Norwegian applicants) or www.nordnet.se (Swedish applicants). Application for such account can be made under the tab *"Bli kunde"* / *"Bli kund"*.

It is recommended that the application for an account in Nordnet at the above website is made electronically by using BankID.

Persons who do not have BankID may, however, submit a written form for an account in Nordnet. The letter should be marked "Zwipe" such that Nordnet's processing of these forms can be given priority. Such written form is available at www.nordnet.no and www.nordnet.se. Nordnet's processing of such written forms is manual, and it requires the relevant person to send the original form, duly signed, together with a certified copy of his/her identification to Nordnet by mail (addresses to Nordnet in Norway and Sweden are included below).

For any applications made on basis of the written form, the investor should include at least two (2) days for the mail to be received by Nordnet, and at least an additional two days for registration of the written form by Nordnet. In addition to this, Nordnet needs at least one day for registration of applications in the Retail Tranche. Nordnet cannot guarantee that persons applying for an account by using the written form will have their account activated in time to apply for Offer Shares in the Retail Tranche.

Contact info for Nordnet in Norway and Sweden:

For questions regarding opening an account at Nordnet or applying for Offer Shares in the Retail Tranche, please contact Nordnet at:

Nordnet in Norway:

Nordnet Bank NUF
P.O. Box 302 Sentrum
0103 Oslo, Norway
Tel: +47 23 33 30 23
E-mail: kundeservice@nordnet.no
Website: www.nordnet.no

Nordnet in Sweden:

Nordnet AB
Box 30099
104 25 Stockholm, Sweden
Tel: +47 23 33 30 23
E-mail: info@nordnet.se
Website: www.nordnet.se

Existing Shareholder Retail Applicants:

Existing Shareholder Retail Applicants may apply for Offer Shares using the application form for the Retail Tranche attached hereto ("**Application Form – Retail Tranche**"). Application Forms – Retail Tranche, together with this Prospectus, can be obtained from the Company, the Company's website, Carnegie's website or the address set out below.

The application office in the Retail Tranche for Existing Shareholder Retail Applicants is:

Carnegie AS
Fjordalleen 16, Aker Brygge, Oslo, Norway
P.O. Box 684 Sentrum
NO-0106 Oslo
Norway
Tel: +47 22 00 93 60
E-mail: subscriptions@carnegie.no

Application Forms – Retail Tranche that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. Properly completed Application Forms – Retail Tranche must be received by the application office above by 16:30 (CET) on 17 January 2019, unless the Application Period is being shortened. Neither the Company nor the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

When applications become irrevocable and binding:

Subject to Chapter 5.6.3 "Subscription Price" above, all applications made in the Retail Tranche through Carnegie (for existing Shareholders) will be irrevocable and binding upon registration of applications, and cannot be withdrawn, cancelled or modified by the applicant upon registration of the application.

Applications made by Nordnet Retail Applicants may be withdrawn or amended by the relevant retail applicant at any time up to the end of the Application Period. At the close of the Application Period, all such applications that have not been withdrawn or amended are irrevocable and binding upon the applicant.

5.6.7 Allocation Date

Notifications of allocations in the Retail Tranche are expected to be issued by Nordnet and Carnegie on or about 18 January 2019 by e-mail, post and/or through Nordnet's online service. Applicants may contact Nordnet and/or Carnegie in order to be informed about their allocations on this date.

5.6.8 *Payment for the allocated Offer Shares*

Payment for the allocated Offer Shares by the Nordnet Retail Applicants:

On 16 January 2019 at 23:59 hours (CET), each Nordnet Retail Applicant must have funds on his/her Nordnet account equal to or in excess of his/her subscription price, being the sum of: (i) the maximum number of Offer Shares ordered under his/her application multiplied by (ii) the Subscription Price of NOK 20.00 per Offer Share. If such funds are not available at the Nordnet Retail Applicant's account in Nordnet, then that Nordnet Retail Applicant's application for Offer Shares in the Retail Tranche may be considered invalid in Nordnet's sole discretion and may not be processed by Nordnet.

In applying for Offer Shares in the Retail Tranche through Nordnet, each Nordnet Retail Applicant authorizes Nordnet to debit the Nordnet Retail Applicant's account in Nordnet for the total amount due for the ordered Offer Shares on or about 22 January 2019.

Payment for the allocated Offer Shares by Existing Shareholder Retail Applicants whose respective applications are made through Carnegie:

The bank account number of applicants, who are Existing Shareholder Retail Applicants and who make their application through Carnegie, must be stated in the Application Form – Retail Tranche in connection with his/her application for Offer Shares in the Retail Tranche.

Such applicants who are existing customers of Carnegie, in applying for Offer Shares in the Retail Tranche, authorize Carnegie to debit the applicant's Norwegian bank account for the total amount due for the ordered Offer Shares on or about 22 January 2019, and to make up to three debits attempts within 10 February 2019 if there are insufficient funds on the account on the first debiting date. If they do not have a Norwegian bank account, the applicants must notify Carnegie as soon as possible.

Applicants who are not existing customers of Carnegie shall make payment to Carnegie; payment instructions for this purpose will be distributed by Carnegie on or about 18 January 2019.

General:

Should applicants have insufficient funds on their accounts or should payment be delayed for any reason, a penalty interest will be charged on the delayed sum according to the Norwegian Act on Interest on Overdue Payments of 17 January 1976 no. 100. Said interest rate is 8.75% as at the date of this Prospectus. Nordnet and Carnegie, respectively, reserves the right to make up to three debits attempts within 10 February 2019 if there are insufficient funds on the account on the first debiting date.

If payment for the allocated Offer Shares is not received by the relevant deadline, the Board reserves the right to cancel or reduce the application, or to sell, re-allot or otherwise dispose all or parts of the allocated Offer Shares at the applicant's risk and cost. The relevant applicant will be liable for any loss, cost and expenses suffered or incurred by the Company, the Managers and/or Nordnet because of or in connection with such actions. The relevant applicant remains liable for payment of the entire amount due; interest, costs, charges and expenses accrued, and the Company and Carnegie may enforce payment for any such amount outstanding.

5.6.9 *Delivery of allocated Offer Shares*

Offer Shares allocated to applicants in the Retail Tranche will be delivered to the applicants' VPS or depot accounts and will be available for the applicant on or about 28 January 2019. No physical certificates will be issued in respect of the Offer Shares. Applicants wishing to transfer and sell their allocated Offer Shares

prior to settlement taking place will nonetheless bear the risk for due payment of the Offer Shares allocated to them.

5.7 Mechanism of Allocation

The Offering is divided into a Private Placement in the amount of NOK 90 million and a Retail Tranche of up to NOK 30 million.

In the Private Placement, the Board will determine the proposed allocation of Offer Shares after consultation with Carnegie. An important aspect of the allocation principles is the desire to create an appropriate long-term shareholder structure for the Company. The allocation principles will include factors such as subscribed amounts in the Application Period, timeliness of orders, investor quality and the goal of establishing a strong, diversified shareholder structure. Priority may, therefore, be given to applicants believed by the Board to be long-term investors. If the Company should decide to limit the total number of applicants to whom Offer Shares will be issued, the identity of the applicants to whom Offer Shares will be issued will be determined by drawing lots or applying similar mechanisms.

In the Retail Tranche, no allocation will be made for a number of Offer Shares less than 350 (equal to a subscription amount of NOK 7,000). In the Retail Tranche, allocation will be made in consultation with Carnegie based on shareholding in the Company prior to the launch of the Offering (if any), subscribed amounts, timeliness of orders, etc.

5.8 VPS Account

To participate in the Offering through Carnegie, each applicant must have a VPS account. Such applicants must state the VPS account number on the Application Form – Private Placement or on the Application Form – Retail Tranche. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. However, investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance (Norwegian: "*Finansdepartementet*"). Establishment of VPS accounts requires verification of identification by the relevant VPS registrar in accordance with Norwegian anti-money laundering legislation (see Chapter 5.9 "*Mandatory anti-money laundering procedures*").

Applicants participating in the Retail Tranche through Nordnet do not need a personal VPS account (the share or fund account at Nordnet has an underlying VPS account).

5.9 Mandatory anti-money laundering procedures

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Nordnet Retail Applicants who are not registered as existing customers of Carnegie, Redeye or Nordnet, respectively must verify their identity in accordance with the requirements of the Anti-Money Laundering Legislation or, if applicable, by the corresponding legislation in Sweden. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Offer Shares.

5.10 Publication of information in respect of the Offering

The Company intends to announce information in respect of the Offering using press releases on the Company's website and the Managers' website.

The Company will publish information with regard to the number of Offer Shares subscribed for in the Offering on or about 18 January 2019.

5.11 The rights conferred by the Offer Shares

The Offer Shares will in all respects carry full Shareholders' rights in the Company on an equal basis as any existing Shares in the Company, including the right to any dividends. For a description of rights attached to the Offer Shares, see Chapter 13 "Share capital and Shareholder matters".

5.12 VPS registration

The Offer Shares are Shares in the Company issued in accordance with the Companies Act. The Offer Shares will be registered in book-entry form with the VPS and have ISIN NO0010721277. The Company's register of Shareholders with the VPS is administrated by DNB Verdipapirservice.

5.13 Conditions for completion of the Offering – Listing and trading of the Offer Shares

The Company did on 9 January 2019 apply for Listing of the Shares on Merkur Market. It is expected that Oslo Børs will approve the Listing application of the Company on or about 25 January 2019, conditional upon the successful completion of the Offering with gross proceeds of at least NOK 100,000,000.

Completion of the Offering on the terms set forth in this Prospectus is conditioned upon the EGM passing the resolutions in accordance with Chapter 5.5.2 "Resolution on increase of share capital in the Private Placement" and Chapter 5.6.2 "Resolution on increase of share capital in the Retail Tranche".

Assuming that said condition is satisfied, the first day of trading of the Offer Shares on Merkur Market is expected to be on or about 28 January 2019. The Offer Shares are expected to trade under the ticker code "ZWIPE".

5.14 Expenses of the Offering

The total costs and expenses of, and incidental to, the Offering are estimated to amount to NOK 9.8 million (including VAT) if all the Offer Shares are sold.

No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

5.15 Dilution

The Company had 9,425,662 Shares outstanding prior to the Offering. Based on the issuance of 6,000,000 Offer Shares, assuming that all the Offer Shares in the Offering are sold, the dilution for any existing Shareholder not participating in the Offering will be approximately 63.66%.

5.16 Lock-up

The members of Zwipe's Board and Management listed below have entered into a lock-up agreement with the Company in respect of the number of Shares set out next to each of them.

According to each relevant person's lock-up agreement, he/she/it has agreed that it will not, and that it will procure that none of its affiliates nor any party acting on its behalf will, for a period of six (6) months following the completion of the Offering, directly or indirectly:

- (i) offer, sell or contract to sell any Shares;

- (ii) offer, sell or contract to sell any securities convertible into or exercisable or exchangeable for Shares; and
- (iii) enter into any swap or any other agreement or any other transaction that has an equivalent effect to paragraph (i) or (ii) above, whether any such swap or transaction described in paragraph (i) or (ii) is to be settled by delivery of such securities, in cash or otherwise.

The following Shareholders and members of Zwiipe's Board and Management are subject to the following lock-up:

Name:	Position:	Total no. Shares owned / subject to lock-up:
Photon Future Ltd.	Shareholder	915,869
Lars Windfeldt and certain companies associated with him*	Shareholder and Director	907,445
Launch AS (Kim Humborstad)	Shareholder, deputy chair of the Board and Chief Growth Manager	849,298
Jörgen Lantto	Chairman of the Board	180,000
Johan Biehl	Director	170,000
Espen Tøndel	Director	26,352
Energetic AS (André Løvestam)	Chief Executive Officer	140,000
Croissant AS (Lisbeth Breum)	Chief Financial Officer	25,200
Steffen Larsen	Senior Vice President products	40,972

* The companies associated with Lars Windfeldt that have undertaken to be bound by the lock-up, are Arcanum Eiendom AS (486,667 Shares), Arcanum AS (225,676 Shares), Winta Investments Holdings Ltd (109,000 Shares) and Windfeldt Next AS (50,000 Shares). Lars Windfeldt holds 36,102 Shares personally, and the Shares held by him personally are also subject to the lock-up described above.

5.17 Managers and advisors

The Offering is being managed by Carnegie and Redeye as Managers and Joint Bookrunners. In addition, Nordnet is acting as alternative application office and receiving agent for Offer Shares in the Retail Tranche.

Advokatfirmaet Simonsen Vogt Wiig AS ("**Simonsen Vogt Wiig**") is acting as the Company's legal counsel in connection with the Offering and the Listing. Advokatfirmaet Wiersholm AS ("**Wiersholm**") acts as legal advisor to Carnegie in connection with the Offering.

5.18 Jurisdiction and governing law

This Prospectus, the Application Form – Private Placement, the Application Form – Retail Tranche and the terms and conditions of the Offering shall be governed by and construed in accordance with, and the Offer Shares will be issued pursuant to, Norwegian law. Any dispute arising out of, or in connection with, this Prospectus or the Offering shall be subject to the exclusive jurisdiction of Oslo District Court (Norwegian: "*Oslo tingrett*").

5.19 Interests of natural and legal persons involved in the Offering

Carnegie and Redeye serve as Managers in connection with the Offering.

Carnegie receives a success-based fee and commission in this regard. The fee is a fixed percentage fee of 6%, calculated on the basis of the gross proceeds raised in the Offering, but with a guaranteed minimum fee of NOK 5 million.

Redeye receives a success-based fee of 5% calculated on the basis of the gross proceeds raised in the Offering, in addition to a fixed project management fee of SEK 500,000.

Each of the Managers and their affiliates may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may receive and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company.

Simonsen Vogt Wiig is acting as the Company's legal counsel in connection to the Offering and the Listing, and Mr. Espen Tøndel, who is a partner in Simonsen Vogt Wiig, is also a member of the Board.

Wiersholm acts as legal advisor to Carnegie in connection with the Offering.

Beyond the abovementioned, the Company is not aware of any interest of any natural or legal persons, nor conflicts of interest involved in the Offering.

5.20 Selling and transfer restrictions

5.20.1 Introduction – general

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares offered hereby.

Other than in Norway and Sweden, the Company is not taking any action to permit an offering of the Offer Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information purposes only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway or Sweden, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Offer Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Offer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

5.20.2 Selling restrictions

United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, the Managers have represented and agreed that they have not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S.

Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Chapter 5.20.3 under "*United States*".

United Kingdom

The Managers have represented, warranted and agreed that:

- a) they have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by themselves in connection with the issue or sale of any Offer Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- b) they have complied and will comply with all applicable provisions of the FSMA with respect to everything done by themselves in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each member state of the EEA other than Norway ("**Relevant Member State**"), with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), an offer of any Offer Shares which are the subject of the Offering contemplated by this Prospectus may not be made in that Relevant Member State, other than the Offering in Norway and Sweden as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and Sweden and published in accordance with the EU Prospectus Directive (as implemented in Norway), except that an offer in that Relevant Member State of any Offer Shares may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the EU Prospectus Directive, if they have been implemented in that Relevant Member State:

- a) to legal entities which are qualified investors as defined in the EU Prospectus Directive;
- b) to fewer than 150, or, if the Relevant Member State has not implemented the relevant provisions of the 2010 PD Amending Directive, 100, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive), as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Managers for any such offer; or
- c) in any other circumstances falling within Article 3(2) of the EU Prospectus Directive,

provided that no such offer of Offer Shares shall require the Company or the Managers to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or supplement a prospectus pursuant to Article 16 of the EU Prospectus Directive

For the purposes of this provision, the expression an "offer" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that member state by any measure implementing the EU Prospectus Directive in that member state the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The references above to the EU Prospectus Directive shall in each instance include references to the EU Prospectus Regulation 2017 to the extent such regulation has been implemented in the EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

5.20.3 Transfer restrictions

United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Chapter.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such shares.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Offer Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Offer Shares.
- The Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.
- The purchaser acknowledges that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway and Sweden who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

- a) it is a qualified investor as defined in the EU Prospectus Directive; and

- b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an "offer" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide whether to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The references above to the EU Prospectus Directive shall in each instance include references to the EU Prospectus Regulation 2017 to the extent such regulation has been implemented in the EU.

5.21 Subscriptions in the Offering by major shareholders and members of the management, supervisory and administrative bodies and person/entities subscribing for more than 5% of the Private Placement

5.21.1 The Private Placement

The table below provides an overview of major shareholders and members of Management, supervisory and administrative bodies that participated in the Private Placement and other persons/entities that has applied for more than five per cent (5%) of the Private Placement:

Investor	Shares applied for	Share of Private Placement
Sundt	846,680	18.81%
Lars Windfeldt (Board member, above 10% Shareholder)	618,000	13.73%
Modelico Equity	325,000	7.22%
Pegroco Invest	250,000	5.55%
Jörgen Lantto (Chairman of the Board)	140,000	3.11%
Feat Invest AB (Shareholder)	50,000	1.11%
Altitude Capital AS (Shareholder)	50,000	1.11%
Telecom AS (Shareholder)	50,000	1.11%
Dennis Jones (Board member)	37,500	0.83%
Johan Biehl (Board member)	20,000	0.44%
Espen Tøndel (Board member)	5,000	0.11%





5.21.2 *The Retail Tranche*

The Company cannot rule out that Directors not having applied for Offer Shares in the Private Placement or members of the Management intend to subscribe for Offer Shares in the Retail Tranche, but has at the time of approval of this Prospectus no knowledge of any such intention.

6 Industry and market overview

6.1 Overview of the payment card industry

Zwipe's partners in the Biometric Payment Card Value Chain are both upstream suppliers and downstream customers. Upstream partners sell components such as fingerprint sensors and electronics components to Zwipe, who integrates those components alongside its unique Technology Platform into a Biometric Inlay, which it sells to downstream customers who are Card Manufacturers who integrate the Biometric Inlay into Dual Interface Payment Cards, which are then sold to Issuers such as banks, who issue the cards to end users. The biometric payment card industry is an emerging marketplace rooted in the technical advancement of payment cards, transitioning over the last twenty-five years migrating from magnetic stripe, to EMV chip and most recently to dual-interface. See the graphic below for further clarification.

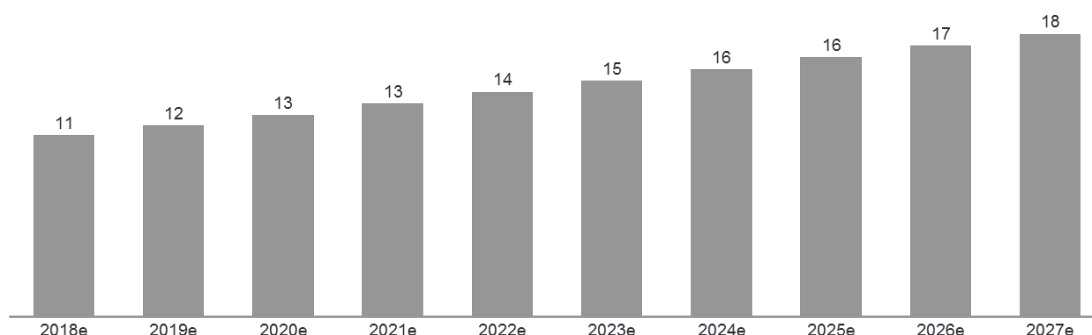
Magnetic stripe		<ul style="list-style-type: none"> • High fraud risk • Slow, requires signature • New and better alternatives available
EMV Chip		<ul style="list-style-type: none"> • Safer than magnetic • CHIP + PIN is safe, but time consuming
Dual Interface (Contact+ Contactless)		<ul style="list-style-type: none"> • EMV (Contact) + RFID (Contactless) • Allows fast transactions, just tap card • Low transaction limits with no PIN/signature
Biometric Dual Interface		<ul style="list-style-type: none"> • EMV + RFID + Biometric authentication • Speed of contactless with safer authentication • No transaction limits

Payment Card volumes are expected to grow at a healthy pace, especially in developing markets where governments and Issuers are pushing for financial inclusion and the migration from cash to electronic based payments. While alternative payment technologies and types of devices that serve as a delivery channel for payments, e.g. plastic cards, key fobs etc. ("**Form Factor**") at the Point of Sale ("**POS**") are gaining traction, it may take a long time for them to gain critical mass, especially at those locations that require investment in infrastructure. Total number of payment cards (both non-EMV and EMV) in circulation estimated to reach 18 billion in 2027 up from 11 billion in 2018³.

The chart below depicts the total number of payment cards in circulation:

³ Source: Edgar, Dunn and Company report "Biometric Payment Cards Market Research and Addressable Market Sizing Result, September 2018"

Total number of Payment Cards in circulation, billions

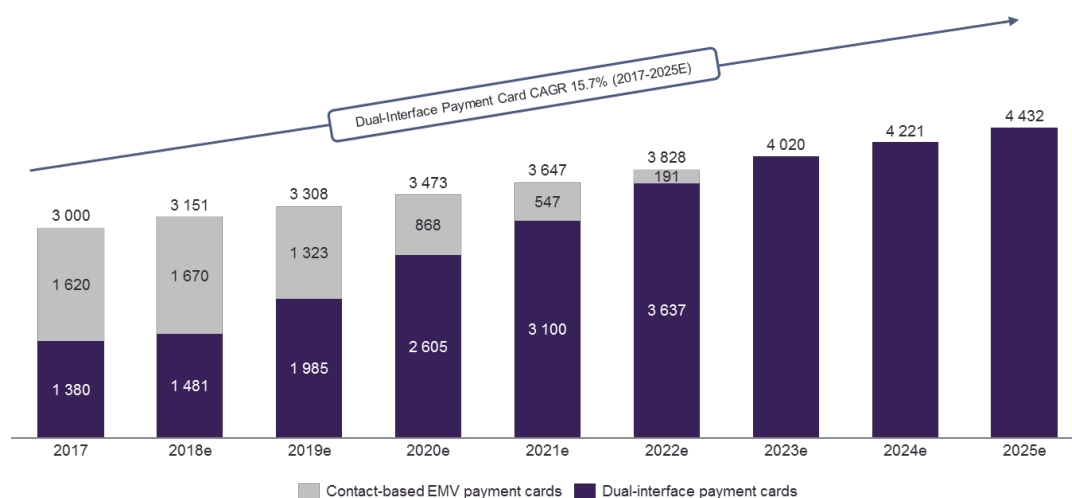


Source: Edgar, Dunn and Company report “Biometric Payment Cards Market Research and Addressable Market Sizing Result, September 2018”

Total number of EMV Payment Cards shipments was approximately 3,000 million in 2017 and is estimated by the Company to reach approximately 4,400 million cards in 2025, representing a CAGR in this period of 16 %.⁴

The chart below depicts annual global shipments of EMV payment cards:

Annual global shipments of EMV payment cards, millions



Source: Historical figure from <http://www.eurosmart.com/facts-figures.html>. Projections based on Company estimates

Contactless technology continues to proliferate as a widely adopted form of electronic payment, with transportation systems across Europe as one of the main growth drivers of contactless transactions, as they enable faster transactions and higher security. Moreover, European countries are shifting their consumer behaviour to embrace contactless technology with countries, such as Poland leading the way, where contactless transactions constitute over 75%.⁵ Total number of dual-interface payment cards expected to reach approximately 15 billion in 2027⁶.

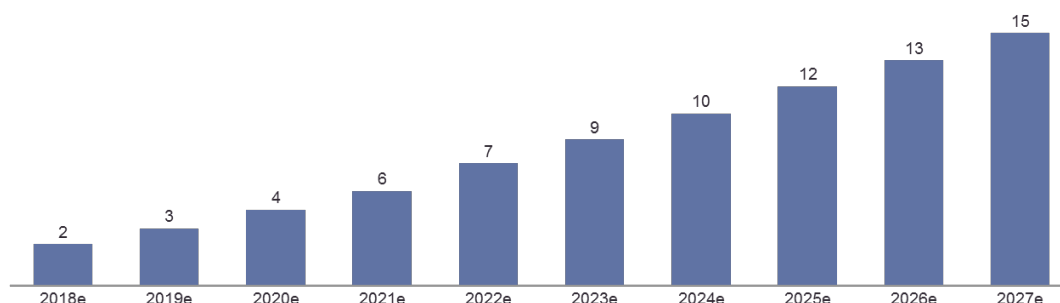
⁴ Historical figure from <http://www.eurosmart.com/facts-figures.html>. Projections based on Company estimates.

⁵ Source: MULTOS Consortium Member Market Feed, September 2018

⁶ Source: Edgar, Dunn and Company report “Biometric Payment Cards Market Research and Addressable Market Sizing Result, September 2018”

The chart below depicts the total number of dual-interface payment cards in circulation:

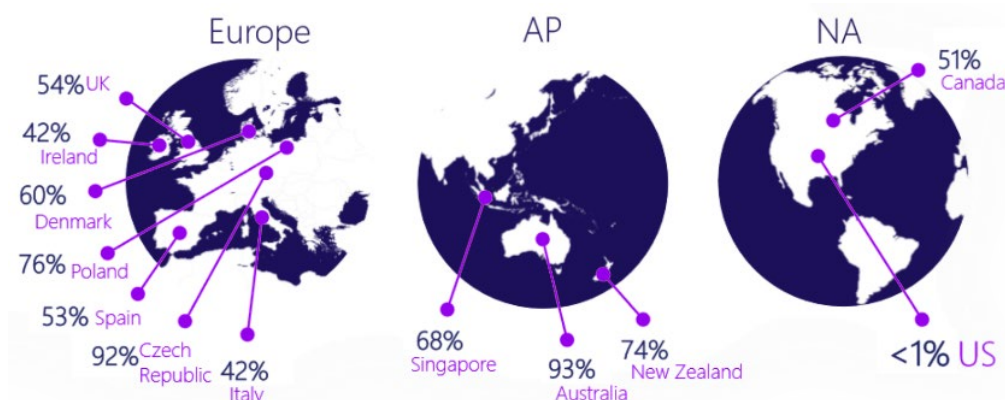
Total number of dual-interface payment cards in circulation, billions



Source: Edgar, Dunn and Company report "Biometric Payment Cards Market Research and Addressable Market Sizing Result, September 2018"

The chart below depicts contactless as a per cent of face-to face transactions as per January 2018:

Contactless share of face-to face transactions, per cent



Source: EMV, Contactless, and Digital Payments Security (3DS 2.0 and Visa ID Intelligence)

6.2 Key market drivers and trends

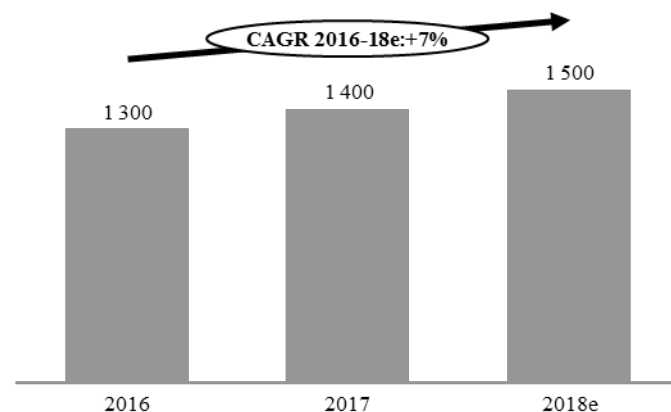
6.2.1 Contactless card payment

The growth of contactless payments around the globe indicates that consumers today demand new payment solutions that focus on improving their experience. Contactless payments regardless of Form Factor, be it contactless cards, mobile wallets or wearables, allow cardholders to pay more quickly and seamlessly. Mastercard has recently reported that contactless transactions in 2018 YTD accounted for nearly half of all card purchases in the UK, with 15 European countries having passed 50 % already.

Adoption of contactless payments was a gradual process but over the last few years, it has grown significantly across many markets due to the increased number of near field communication ("NFC") payment terminals. For example, 92% of Australia's face-to-face transactions are contactless, 73% in

Poland, 63% in Singapore, 49% in the UK, 47% in Canada.⁷ The deployment of contactless payments for fast-moving retail environments and public transportation, as in the UK, has raised awareness of consumer demand for quick and easy payments. Contactless payments generally have a low cap on transaction limits, 30 GBP in the UK, 200 NOK in Norway, and it is no security measures on the products for contactless payment below such limits. Raising the cap may increase cashless spending, pending consumer comfort levels, in particular if security concerns are addressed. Otherwise, it may be a possible deterrent in contactless payment growth. Annual shipments worldwide of contact-less payment cards constituted 1,300 million in 2016 and is estimated to grow to 1,500 million cards in 2018.⁸

Annual global shipments of contactless payment cards, millions



Source: Eurosmart: <http://www.eurosmart.com/facts-figures.html>

Recent market surveys suggest that consumers have strong interest in new biometric technologies that would make their lives easier. Research shows that an average person has 150 accounts/passwords to manage, including those that they barely log into and it is difficult for them to memorize unique passwords for each account. According to a recent Visa Study conducted by AYT Market Research, about one out of two consumers abandoned an online purchase because they could not remember their passwords. Over 60% of the consumers are familiar with biometric authentication and believe that biometrics are faster and easier than passwords. Two out of three consumers are interested in making future payments with fingerprint recognition.

That same study also identified that the top two benefits that consumers indicate for biometric authentication are the elimination of passwords/PINs (50%) and the perception that it is more secure than passwords/PINs (46%).

This focus on design and innovation is all about attracting millennial consumers. Acquiring millennial customers is extremely difficult especially for traditional Issuers. FinTech companies are using innovative techniques to entice younger customers and then aim to retain them through relationship management and better offers ranging from car loans to mortgages to investment advice. Biometric Payment Cards, like using the fingerprint sensor for mobile devices, represent an essential item in the toolkit for banks to attract younger customers who are much more likely to notice innovative elements in a product or service.

These retention tools can also enable Issuers generate additional returns with declining interchange revenues. A recent trend in the banking business is the steady decline of interchange fees, which are being pushed lower by regulators in Europe and elsewhere. Issuers are seeking to justify incremental fees on cards and annual fees on banking services in general which is difficult especially in markets where consumers are

⁷ Visa Contactless Payments around the world Infographic, 2017

⁸ <http://www.eurosmart.com/facts-figures.html>

used to no-fee cards. Biometric Payment Cards can provide Issuers a strong basis for annual fee application explaining to the cardholders that they will be better protected using their product.

Another important trend is the migration from cash to digital payments. Cash is still the most popular consumer payment method, primarily for low-value transactions, despite the rise of electronic payments. Fourteen of the twenty major markets around the world have cash representing more than 50% of all payment transaction volume at the POS.⁹ Despite the growing availability of and interest in digital and contactless payments, cash continues to be a popular payment method among consumers worldwide. In many developed markets however, cash is losing ground to cards and other payment methods. New payment alternatives are increasingly offering the same convenience as cash and adding more secure means of completing transactions.

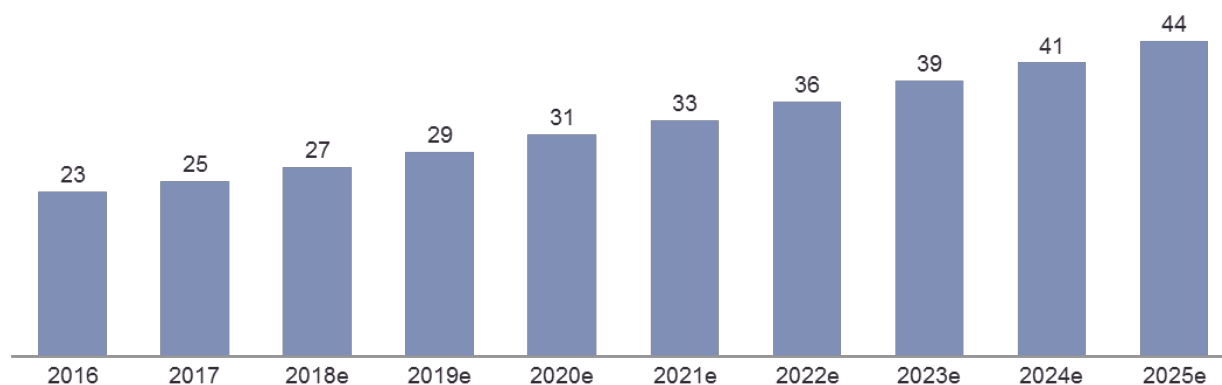
6.2.2 Biometric authentication

The increased use of biometrics in everyday life has normalized the technology for the mass market. Thanks to smart phones and other devices using biometrics, consumers are familiar and comfortable with biometric authentication¹⁰. For Payment Cards, including biometric authentication in Contactless Cards allow consumers to make payments with the best possible consumer experience combining speed of payment with enhanced payment security. For these reasons, major Payment Schemes like Visa and Mastercard are promoting the use of biometrics as the next generation of payment security technology. Governments and regulators are also promoting biometric solutions to minimize fraud and identity issues.

Total global fraud loss estimated to be USD 27 billion in 2018, and expected to continue growing every year, up to USD 44 billion by 2025.¹¹

The chart below depicts annual card fraud worldwide:

Annual card fraud worldwide, USD billions



Source: The Nilson Report, October 2017

The outlook for biometric authentication in both developed and developing markets is positive. In developed markets, the Payment Card market is generally more mature and highly competitive. With increased competition from new entrants and established incumbents, card Issuers are looking for ways to differentiate their products while meeting high consumer expectations. Early adopters of Biometric Payment Cards will

¹⁰ <https://www.prnewswire.com/news-releases/global-fingerprint-sensor-market-2018-2023-proliferation-of-fingerprint-sensors-in-smartphones-and-other-consumer-electronics-300656687.html>

¹¹ Source: The Nilson Report, October 2017

be able to create a competitive advantage by offering innovative and at the same time more secure payment cards. Above all, biometrics makes the convenience of contactless payment cards secure, by authenticating the consumer using the fingerprint sensor embedded in the card.

In developing parts of the world, biometric technologies have become widespread as governments are leveraging them to deliver public services more efficiently, combat fraud within benefit programs, and promote financial inclusion. Card numbers are expected to grow significantly over the next 10 years¹², and the potential for leapfrog technology (such as biometric authentication) would be high for the newly issued cards, particularly for debit or prepaid cards used by government to disburse payments of welfare programs.

In payments, password and Personal Identification Number ("**PIN**") have been used so that consumers can verify the transactions. They lead to declined transactions when consumers cannot recall them. They slow down the process of checkout and payment and can result in fraudulent payments when the information is compromised. With the elimination of PIN for enhanced security, Biometric Payment Cards can help meet consumer demand for a fast and convenient way to authorize payments without sacrificing security. With Biometric Payment Cards, the limit for contactless payments (the value above which PIN is required), could potentially be raised. For Contactless Card payments below the limit (and, therefore not requiring a PIN), Biometric Payment Cards provide security and a comfort factor that encourages segments of the population who do not use Payment Cards, particularly at smaller, informal merchants because they are concerned that their card information will be compromised, to prefer cards over cash payments.

Issuers can benefit both financially and non-financially from issuing Biometric Payment Cards. Financially speaking, they can generate more revenue with increased transaction volumes (top-of-wallet effects) and reduce fraud losses. Non-financial advantages include improving customer experience, creating competitive advantage over other Issuers, enhancing the Company's brand/image to be more cool or innovative.¹³

There is demand from different stakeholders in the Payment Ecosystem to create a potential for exponential adoption of Biometric Payment Cards.

- **Regulators:** Requiring strong customer authentication (as under Directive (EU) 2015/2366 - Payment Services Directive ("**PSD2**") in the EU)
- **Governments:** Focusing on biometric solutions to minimize fraud and identity issues (e.g. healthcare and social benefits)
- **Payment Schemes:** Visa and Mastercard want to strengthen the growth of contactless payments by improving convenience and security, as well as introducing industry mandates to ensure infrastructure readiness
- **Issuer:** In addition to differentiation, issuers are seeking to reduce fraud and skimming
- **Consumers:** Want a fast and convenient way to authorize payments without sacrificing security

Across developing markets in Africa, South America and the Indian sub-continent, multi-application smart cards are bringing identity and payment together, authenticating users to allow effective and accurate distribution of government-based welfare payments.

Adding biometric functionality to government distributed Payment Cards for welfare benefits will help reduce fraud. Especially in markets where official credentials or identity documents by government are readily available, Biometric Payment Cards offer an easy and secure solution to verify the benefit recipient's identity. Furthermore, leveraging biometrics to push government payments through digital channels can

¹² Edgar, Dunn & Company Advanced Payments Model 2018

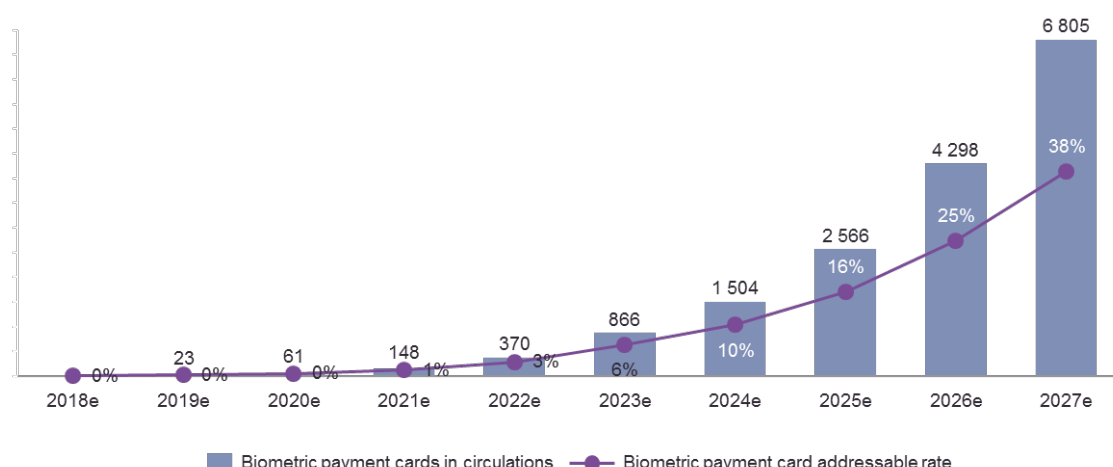
¹³ Biometric Payment Cards - Market Research & Addressable Market Sizing Results by Edgar Dunn, commissioned by Zwipe AS in August 2018

help drive financial inclusion and facilitate access to financial services, particularly for individuals who are unfamiliar with PINs or passwords.

According to Edgar, Dunn and Company, the number of biometric dual-interface payment cards, representing Zwipe's addressable market, is estimated to reach approximately 7 billion cards in 2027, representing approximately 38% of all payment cards in circulation.¹⁴

The chart below depicts the total number of biometric dual-interface payment cards in circulation:

Total number of biometric dual-interface payment cards in circulation, millions



Source: Edgar, Dunn and Company report "Biometric Payment Cards Market Research and Addressable Market Sizing Result, September 2018"

6.2.3 Mobile payment

Mobile payments are payments made through a mobile device and/or smart phone instead of paying with cash, checks or physical credit cards. Use of mobile wallets and mobile payment applications is expected to grow. The major phone brands, Apple and Samsung for example, both have offerings in the marketplace that allow consumers to import their payment card details into their smart phone and utilize their phone to complete transactions where contactless functionality is available at the point of sale. Most applications enable consumers to use biometrics, either fingerprint or facial recognition to complete the transaction authentication process when completing a payment with their smart phone.

Adoption of these solutions has been slow. Apple Pay, for example, has seen slow adoption for a number of reasons. Most consumers are still not exposed to mobile payments and even though the number of first time users is slowly growing, initial feedback has not been overwhelmingly positive. Many factors have led to a slower than expected adoption of mobile payment applications like; i) a legacy infrastructure that is not supporting mobile payment applications at the point of sale, meaning limited point of sale terminals that support such payment applications and ii) user's reluctance to switch from existing payment methods, which they find to be more or as convenient as mobile payments. Additionally, mobile payment applications have had difficulty in penetrating the existing payments ecosystem, having to modify their approach to partnering with other stakeholders in the ecosystem, such as card networks, banks and issuers and payment service providers to enable their offering to work as advertised when a consumer is seeking to make a purchase at a retail location that accepts mobile payment.

¹⁴ Source: Edgar, Dunn and Company report "Biometric Payment Cards Market Research and Addressable Market Sizing Result, September 2018"

6.3 Other Applications and Verticals Overview

In addition to Biometric Payment Cards and solutions, Zwipe's Technology Platform is also well suited for applications in access control and identification, and the Company is currently developing solutions with partners for wearables and internet of things ("IoT") devices.

In the access control market, the company has had a battery-powered clamshell design access control credential (the "**Zwipe Access Card**") on the market for several years, selling to security integrators around the world. The clamshell access card¹⁵ is deployed in the thousands in various high security installations on four different continents. Due to the high sensitivity of end users, the Company is not at liberty to disclose applications, customer names and/or the locations of their deployment. The Zwipe Access Card is used as a credential in an access control system to authenticate a person's identity, determine the appropriate level of access, and provide access to the physical resource. It also enables users to access logical applications such as computers and server terminals. These additional features are driving the demand for smart cards and proximity cards in the access control market.¹⁶ The demand for stronger security on such applications is a core driver. Compliance with regulations is also driving adoption of solutions that enhance security while maintaining the privacy of the user and the user's data. According to the EU General Data Protection Regulation 2016/679 ("**GDPR**"), which came into effect in 2018, organizations must comply with a range of requirements in the handling of personal data. Biometrics is seen as a solution that could significantly increase secure authentication methods while simultaneously protecting user data and information, as applications such as the Zwipe Access Card operate independently of centralized databases ensuring compliance with new regulatory standards.

When looking at wearable and IoT applications, and specifically biometrics-enabled wearable payments applications, there is growing interest from the Issuer side as well as from smart device and wearables manufacturers looking to develop products for the next wave of innovation. The worldwide wearables market continued its upward trajectory in both the fourth quarter and full year 2017 with total shipment volumes reaching new records.¹⁷ Manufacturers are looking to leverage recent technical advancements to offer similar functionality to analogue watches in addition to smart devices and in turn creating an opportunity to offer wearable payment functionality to a much larger product range.

In October 2018, the Company announced a partnership with Tappy Technologies to jointly develop and launch biometric enabled wearable payment, access and digital authentication devices. Tappy Technologies is an innovative global provider of tokenization services, providing the most essential elements to enable wearable payment applications for major payment schemes, leading issuers and world-renowned fashion labels serving as the primary manufacturer for some of the world's most recognized watch brands. Tappy Technologies expects to demonstrate the first prototype before the end of this year.

6.4 Market structure and competitive landscape

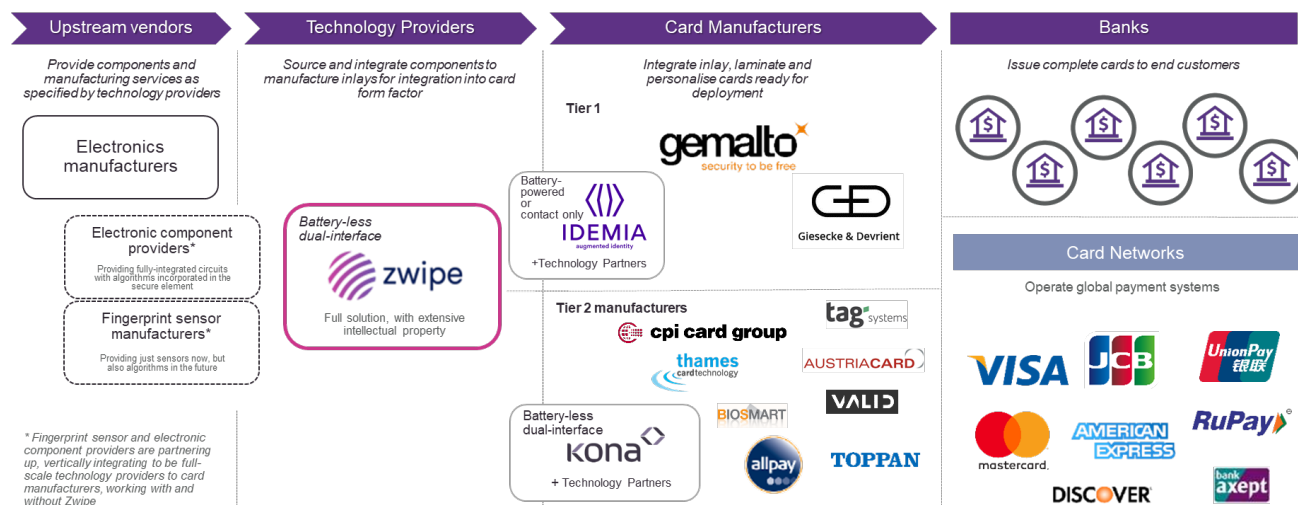
The segmentation of competition is linked to the overall structure of how the Biometric Payment Card is developed. The Biometric Payment Card Value Chain comprise various upstream and downstream vendors, segmented by size and scope of operation, please see the figure below for an illustration of the biometric value chain.

¹⁵ <http://zwipe.com/wp-content/uploads/2016/09/data-sheet-access-ZA-0.1-1017.pdf>

¹⁶ <https://www.marketsandmarkets.com/PressReleases/access-control.asp>

¹⁷ <https://www.idc.com/getdoc.jsp?containerId=prUS43598218>

Illustration of Zwipe's biometric value chain:



The main competition is represented in various constellations of groups working together to develop Biometric Payment Cards. These constellations comprise a Card Manufacturer, an Inlay Provider, a Biometric Algorithm provider and fingerprint sensor provider. Working in these constellations, the different players are developing similar competing Payment Card technology solutions. The table below outlines five different Biometric Payment Card constellations. In addition to these constellations, companies already present in the smart card industry such as NXP and Linxens have announced that they are developing offerings for biometric smart cards.

Biometric Payment Card constellations:

	Gemalto + Zwipe	Zwipe + Tier 2 Card Manufacturers	KONA-I	Idemia (Oberthur)	Idemia (Safran Morpho)
Payment Card Technology	Battery-less dual interface biometric	Battery-less dual interface biometric	Battery-less dual interface biometric	Battery-powered dual-interface biometric	Contact-only biometric payment card
Card Manufacturer	Gemalto (tier 1)	e.g. CPI, Silone etc.	Kona-I	Idemia/Oberthur (tier 1)	Idemia/Safran Morpho (tier 1)
Inlay Provider	Zwipe	Zwipe	Kona-I	Oberthur	Card-tech
Biometric Algorithm Provider	Zwipe	Zwipe	Precise Biometrics	Precise Biometrics	n.a.
Fingerprint Sensor	FPC	FPC	FPC	FPC	Idex
Supporting Card Networks	Ran pilot with VISA (Bank of Cyprus), several pilots to follow	Working towards establishing agreements with local schemes	H1 2018 pilot with VISA with Mountain Credit Union	Announced pilot with JCB in April 2018	Two pilots with Mastercard in 2017: ABSA (contact only) & Unicredit Bulbank (battery driven)

In addition to the constellations, it is important to address the indirect competition as it presents itself in relation to other inlay manufacturers, biometric algorithm providers and upstream vendors offering similar services and solutions to Zwipe. Zwipe is distinct in comparison to these players as Zwipe is the first technology provider that has market ready solutions, capable of operating without the need for a battery and

functioning within the expected norms of the legacy infrastructure. There are several other companies seeking to replicate Zwipe's position.¹⁸ With the majority of vendors seeking to emphasize on specific market offerings that prevent direct head-to-head competition with Zwipe. For example, several inlay manufacturers offer battery-powered offerings.

7 Presentation of the Group

7.1 Introduction

The legal and commercial name of the Company is Zwipe AS.

The Company was incorporated on 8 September 2009 as a Norwegian private limited liability company (Norwegian: "*aksjeselskap*"), and it was registered with the Norwegian Register of Business Enterprises (Norwegian: "*Foretaksregisteret*") on 8 October 2009 under business register number 994 553 607.

As at the date of this Prospectus, the Company's registered share capital is NOK 942,566.20, divided into 9,425,662 shares, each with a nominal value of NOK 0.10.

The Company has one class of shares in issue, and each Share carries one vote at General Meetings.

The Company's registered office is at Rådhusgata 24, NO-0151 Oslo, Norway, telephone: +47 932 28 126. The Company's website can be found at www.zwipe.com.

7.2 Legal structure of the Group

The Company is a Norwegian biometric technology company and the parent company in the Group. It focuses on the development and commercialization of secure, fast and easy-to-use biometric authentication solutions in two key areas: payment and access control.

The Company has one wholly owned subsidiary, Zwipe America, a corporation incorporated under the laws of the State of Delaware in the United States. The Company has no other ownership positions.

7.3 Brief history and development

Year	Date	Event
2009	8 September	The Company was incorporated under the company name OrigoID AS by Joakim Solberg and Kim Humborstad. The business was originally started in 2008 as a student enterprise related to Innovation and Entrepreneurship study at the University of Southeast Norway. The Company received wide acclaim in the 2009 national contest for student enterprises and won the Ferd award for the greatest international potential, and in the European Championship won the award "Europe's most innovative business idea". The fundamental idea was to combine the security of biometric authentication with the speed and convenience of contactless payment. The user's fingerprint data should be stored directly on a card, not in an external database. After activation by a simple fingerprint scan, cards can be used to make contactless and regular chip payments. The biometric authentication replaces the PIN entry, thus enabling cardholders to make payments of any amount, unlike other contactless payment cards on the market.
2009-2013		Based on this initial success and positive response from the financial services industry a regular limited acts company was established. The Company spent its first four years developing Zwipe Core Technology and IP and received several awards for its business concept and innovative approach to solve massive issues related to fraud. Approximately NOK 5 million was raised through two seed funding rounds and a similar

Year	Date	Event
		amount was raised through grants and loans from the government institution Innovation Norway.
2013-2014		The Company grew to about 15 employees in 2013 and 2014, and a subsidiary was established in Colorado, USA in 2015. In 2014, Mastercard, Eika Bank and Zwipe conducted the world's first payment card trial utilizing biometric authentication on card (non ISO thin card). Additionally, several proofs of concept within the security and access control market were conducted with renowned partners. NOK 32 million was raised through two rounds in the Norwegian capital market during this period.
2015	2 October	The Company successfully completed a private placement (Norwegian: " <i>rettet emisjon</i> ") towards the Chinese high-tech group Photon Future Ltd. (" Photon Future " or " Kuang-Chi ") with gross proceeds in excess of NOK 41 million in equity and NOK 27 million through convertible debt.
2016		<p>Zwipe doubled the size of its operations team during the first half of 2016, primarily by increasing the research and development ("R&D") capacity to complete commercialization of biometric payments cards. The development was at this stage in close collaboration with industry leading players in the Payment Ecosystem. The Company also worked hard to protect its IP through patents, copyrights, etc. of Zwipe Core Technology in order to ensure long term competitive advantage.</p> <p>In 2016, Zwipe conducted several proofs of concept with partners in the financial services industry. In parallel, a partner network for sales was built in the access control vertical, doing instalments with high security lighthouse customers.</p> <p>At the Money2020 conference, CPI Card Group Inc. ("CPI") and Zwipe demonstrated the first ever biometric card that was both able to conduct contactless and contact-based transactions, so called dual interface, which is an expected prerequisite for commercial deployment.</p> <p>As Zwipe is operating in a completely new product segment, a comprehensive certification process was initiated. Certifications are processes managed by the Payment Schemes (e.g. Visa, Mastercard, etc.) and industry organizations like EMVCo, LLC (a technical body that facilitates the worldwide interoperability and acceptance of secure payment transactions by managing and evolving the EMV specifications and related testing process). The role Zwipe has in certifying biometrics cards is to support its customers, the Card Manufacturers, as they will ultimately receive certification for the full product to proceed with volume manufacturing of Payment Cards with Zwipe Technology inside.</p>
2017	2 February	The Company successfully completed a capital raise (a private placement) with gross proceeds in excess of NOK 37 million.

Year	Date	Event
2017	7 December	The Company successfully completed a capital raise with gross proceeds of approximately NOK 44 million.
2017		<p>During 2017, Zwipe developed and delivered the world's first Biometric Inlay for Dual Interface Payment Cards. The inlays met the ISO standard requirement and were used in smaller pilots. The Company's main R&D activities in 2017 comprised of optimizing the design of the Biometric Inlay. In order to prepare the technology solution for commercialization and high volume production, a cost reduction project was initiated early 2017 to further develop, optimize and reduce the inlay cost. R&D efforts were also spent on developing alternative solutions for fingerprint enrolment. In addition, the Company continued developing its Biometric Engine that performs wireless fingerprint verification without the need for batteries or a fixed power supply.</p> <p>Commercial agreements with several multi-national companies in the government ID and access control sector such as Nexus Group, Identiv, Chatsworth Products, G4S, IRIS Corporation and Identification Systems Group (ISG) were announced.</p> <p>Operational emphasis was on setting up supply chain and manufacturing relationships enabling high volume delivery. R&D investments were largely focused on two areas: securing the certifications necessary for commercial use in financial services and reducing the cost of goods.</p> <p>Cards from CPI and Zwipe passed the rigid bend and torsion requirement test from a global Payment Scheme, as the first card to become compliant with such requirements from any Payment Scheme.</p>
2018		In early 2018, the Company announced partnerships with Visa and Gemalto N.V. (" Gemalto "), the largest Card Manufacturer worldwide. The three parties collaborated on the world's first pilot of a dual interface biometric card, with the Bank of Cyprus.
2018	1 March	The Company appointed André Løvestam as its new chief executive officer. Kim Humborstad, the founder and former chief executive officer, moved to the position as chief growth officer (" CGO ") and was subsequently appointed as deputy chair of the Board of Directors.
2018	22 July	The Company successfully completed a capital raise (a rights issue) with gross proceeds of NOK 20 million, plus a convertible loan of NOK 8 million.
2018		The Company has at the time of this Prospectus 31 active patent applications of which 8 patents have been granted. Some of the patents, granted or applied for, are fundamental to the Biometric Payment Card platform and some are related to inventions relevant to the production process. Some of these inventions are relevant to the Biometric Payment Cards as it is designed today, others to the technology roadmap and/or valuable in a broader context for Zwipe through potential IPR licensing.

Year	Date	Event
		Following Zwipe's leadership position in the biometric Dual Interface Payment Card market, the Company is involved in business partnerships with the major stakeholders in the Biometric Payment Card Value Chain; from the global Payment Schemes to the end users, through the Issuers and financial institutions distributing the Payment Cards as well as the Card Manufacturers. Zwipe aims to continue growth with the mission of "Making Convenience Secure".
2018	28 August	Announced partnership with Silone CardTech, a Card Manufacturer based in Shenzhen, China, to launch battery-less dual-interface biometric payment cards with banks and loyalty programs in China.
2018	22 October	Announced partnership with wearables technology company Tappy Technologies to jointly develop and launch biometric enabled wearable payment, access and digital authentication devices.
2018	5 November	Zwipe announced innovative fingerprint enrolment solutions developed by the Company for the planned mass market deployment of Biometric Payment Cards.
2018	6 November	Announced an achievement of 70% reduction in power consumption while simultaneously reducing cost. Zwipe has collaborated with Cypress Semiconductor Corp., an embedded solutions provider, to support the launch of Zwipe's next generation inlay solution by developing a Micro Controller Unit (MCU) based on Cypress' PSoC® 6 MCU family that is specifically designed for Zwipe's use in ultra-low power biometric applications in ultra-thin solutions.
2018	7 November	Launch of pilot with Banca Intesa Sanpaolo (Italy), MasterCard and Gemalto with over 150 bank employees testing the technology over a period of 16 weeks.
2018	15 November	Zwipe and Allcard Inc, the leading payment Card Manufacturer in the Philippines, announced battery-less biometric payment card partnership.
2018	28 November	Zwipe announced a pilot program with its partners Gemalto, Areeba and Visa, piloting Biometric Payment Cards with 10 different banks across the Middle East.
2018	13 December	Zwipe was awarded a EUR 2.3 million grant from Horizon 2020, the largest European Union Research and Innovation program, promoting European innovation and competitiveness on a global scale.

7.4 Strategic framework

7.4.1 Mission

Zwipe's mission statement is "*Making Convenience Secure*". At the heart of our value proposition is a solution to the unnecessary trade-off between security and convenience.

PINs and account passwords have proven to be resistant to disruption as the digital age has gathered pace. Convenient and secure authentication is the final step to unlocking the true potential of the ever-evolving payment value chain – as essential to high street retailers as it is to online merchants. The speed and ease of use that biometrics enables provides for an enhanced checkout experience both digitally and physically.

Contactless technology is proving to be the most convenient means of completing transactions. The challenge with traditional contactless payment cards, however, is the real and perceived lack of security inherent in the solution. As a result, banks introduce transaction caps. Zwipe eliminates security concerns and bypasses transaction limits by integrating biometrics into contactless transactions without compromising the user's right to privacy, as the biometric authentication is performed on the card without the need for databases. The solution is compatible with existing legacy infrastructure at the point of sales.

While banks and conventional financial service providers are looking into biometrics, e-commerce platforms and financial apps are also using them to authenticate and approve payment transactions. Growth in social payments and e-commerce platforms is also accelerating the penetration of biometrics into financial systems.

Consumers have already fully embraced the use of biometrics for secure and convenient user verification. In 2013, Apple launched iPhone5s integrating a fingerprint sensor, which prompted Apple's smartphone competitors to quickly embrace fingerprint sensors. The fingerprint sensor penetration in the global smartphones market reached 45% in 2016 and 71% in 2018 according to Counterpoint Technology Market Research¹⁹. Industry sources estimate that more than 10 billion biometric verifications are carried out in smartphones every day. Thus, there is no doubt that consumers prefer to use biometrics to verify themselves instead of using PIN codes or passwords.

A well thought out strategy for implementing biometrics needs to consider the concerns of industry bodies, regulators and consumer-interest groups. Biometrics raise regulatory questions from governments over data security and privacy. Meanwhile, financial institutions worry about handing over security to technology firms or being 'locked' into device-specific solutions. Zwipe collaborates with the different stakeholders to understand, qualify and address their needs, including regulatory questions such as privacy and protection, with the objective to help all stakeholders find appropriate solutions to expedite the prevalence of biometrics in financial services while offering best-of-breed technology solutions.

Zwipe believes that the financial services industry is ripe for innovation across the entire biometric spectrum. The race to integrate biometrics in financial services is heating up across many different segments. The winners will be those who can provide the best in class mix of convenience and security to ultimately optimize end user experience.

One aspect that makes the payment industry very exciting is the pace in which new changes are introduced with the aim to improve the customer payment experience. Jumping seamlessly between in-store, web and mobile, today's channel agnostic consumers have high expectations for interactions to be secure, convenient, contextual, consistent and, most importantly, relevant to them.

7.4.2 *Vision*

Zwipe's vision is to be recognized as a global leader in ultra-low power, self-contained, biometric authentication solutions for physical and digital applications.

¹⁹ Source: <https://www.counterpointresearch.com/fingerprint-sensor-is-becoming-standard-feature-in-smartphones/>

7.4.3 Objectives

The adoption rate of biometric sensors on Dual-Interface Payment Cards will be dependent on various factors, such as i) the timing and completion of certification processes for Biometric Payment Cards, cf. Chapter 11 below, ii) the development of efficient systems for enrolling the consumers' biometric data for the cards, iii) the successful execution of pilot programs and the consumer acceptance and adoption rate of the new technology, iv) inlay production capacity, v) the competitive intensity at every step in the value chain (from technology solution providers to Issuers), and vi) manufacturing cost development for Biometric Payment Cards.

On this background, depending on the timing and speed of market take-off, Zwipe has defined a set of financial and non-financial aspirations for the medium term called “**Best in Class**”: The financial aspirations mentioned here should not be viewed as guidance from Zwipe.

- Annualized revenue of USD 125 million (NOK 1 billion)
- Annual sales of 20-40 million embedded systems for Dual-Interface Biometric Cards in the medium term, implying a market share of 30%
 - Expecting to reach cash flow break-even at these volumes
 - Average sales price in the range of USD 3-4 per unit
- No. 1 in the market for Dual Interface Biometric Payment Cards with 30% market share
- Dynamic platform: Zwipe is developing a universal and scalable technology platform that enables expansion from biometric payment cards into verticals such as access control, wearables/IoT and government ID
- Leader in user experience: Best user and customer satisfaction in the industry

7.4.4 Six strategic pillars

1. Initial focus on Biometric Payment Cards to secure no. 1 position
 - ✓ Continue to develop our strategic partnership with Gemalto and enter into multiple partnerships with additional Card Manufacturers and Payment Scheme networks
 - ✓ Continued development of the Zwipe Technology Platform
 - ✓ Broaden offering to the retail banking vertical by developing on-card digital authentication solutions for e-commerce (Card Not Present ("CNP") transactions) and online banking to complement our POS solutions and have a true omnichannel solution (see also item 2 below)
 - ✓ We will also offer multiple Enrollment Solutions, whereby cardholders can enroll their biometric data onto the card in the comfort of their own homes or in the bank branch, offering flexibility and freedom of choice to our customers
 - ✓ Zwipe will continue to develop its organization, investing in R&D and supply chain, as well as product management and commercial resources aimed at creating awareness, interest and demand for Dual Interface Biometric Payment Cards in the banking sector
2. Build on first mover position in biometric payment for retail banking to become a trusted digital authentication partner for financial services
 - ✓ Zwipe plans to broaden its product offering to also include products necessary for the banks to be able to offer biometric solutions including smart cards, wearables and potential other means so that consumers can verify themselves in a convenient and secure way when using the services offered by the banks, for use cases including both POS and digital banking. The omnichannel offering to

Issuers and merchants (e-commerce / CNP) will complement today's offering towards Card Manufacturers

- ✓ Zwipe will enable the wearables market with the missing link of biometric authentication for financial services, as evidenced by the recent announcement with Tappy Technologies Limited. Banks find it very compelling to offer consumers new smart devices supporting similar use cases as with smart cards. This will increase Zwipe's addressable market and broaden the scope to multiple products supporting several of the banks' challenges of today and tomorrow
- ✓ Thus, Zwipe is evolving to a *technology and solutions provider* to various customer groups, primarily Card Manufacturers and Issuers. Zwipe is in an excellent position to enable banks to offer consumers new devices supporting similar use cases as smart cards. Zwipe's objective is to take a lead in supporting the creation of this market so that wearable devices can be used for biometric authentication of the consumer at POS and for digital banking

3. Build a platform for growth: Zwipe Generation NxT

- ✓ Zwipe's internal supply chain readiness and cost reduction program, Generation NxT, will prepare Zwipe for scale up and industrialization, ensuring the delivery of a sustainable and profitable solution
- ✓ Generation NxT comprises three pillars: a) Supply chain readiness and scalability, b) performance improvements and technical differentiation, c) cost reduction initiatives
- ✓ Generation NxT is focused on simplifying and consolidating the Inlay architecture by taking advantage of semiconductor technology to integrate more functions into semiconductor chips and reduce manufacturing cost. Once the market for payment cards integrating Zwipe Technology has reached sufficient scale, the Company plans to leverage its economies of scale effects from the payment card vertical into a range of other verticals

4. Transition from Inlays to integrated circuits and systems over time

- ✓ In a 2 to 4-years' horizon, as the market evolves and volumes grow, Zwipe plans to build on its system integrator position, with unique Payment Ecosystem and technological understanding, to develop and sell market leading applications in areas like energy harvesting and ultra-low power biometric performance and security. This entails a transition from selling Inlays to selling integrated circuits and systems. This is aligned with expected market development and will secure price competitiveness and reduce capital requirements
- ✓ In line with the above, Zwipe is well into the process of developing an embedded system for energy harvesting and biometric authentication comprising a proprietary Application Specific Integrated Circuit ("ASIC") for our market-leading energy harvesting technology, to be sold in combination with an ultra-low power and high speed Micro Controller Unit ("MCU") (a single computer integrated circuit designed for embedded applications) loaded with our proprietary firmware providing the energy harvesting features and the biometric algorithm.

As the market evolves, this is an important step in securing price competitiveness, reducing capital requirements and reaching the long-term EBIT margin targets. As mentioned, Zwipe plans to sell this embedded system to solution providers in multiple industries

5. Licensing of Intellectual Property (IP)

- ✓ As a pioneer in its field, Zwipe has a strong IP portfolio of granted and filed patents addressing factors that are essential in the mass deployment of its technology, focusing on manufacturing &

production processes, biometric algorithms, power harvesting, biometric enrollment applications and security

- ✓ 31 active patent applications (Patent Cooperation Treaty regime), with 8 patents granted to date
 - ✓ With its IP portfolio tailored for small handheld devices, Zwipe plans to license Zwipe Core Technology that is essential for certain aspects of biometric authentication across multiple verticals, platforms and Form Factors
6. Taking advantage of our investment and exploring opportunities within the access control and government ID marketplace
- ✓ Zwipe is developing a launch plan and go-to-market strategy for an ISO-thin Form Factor card for access control by 2021 with significant manufacturing cost reductions and know-how gained from the payment market. When the market for payment cards integrating our technology has reached sufficient scale, we plan to launch Zwipe touch based on the universal Zwipe Generation NxT platform, leveraging economies of scale effects from payment vertical to reduce manufacturing cost, secure price competitiveness and gross margins

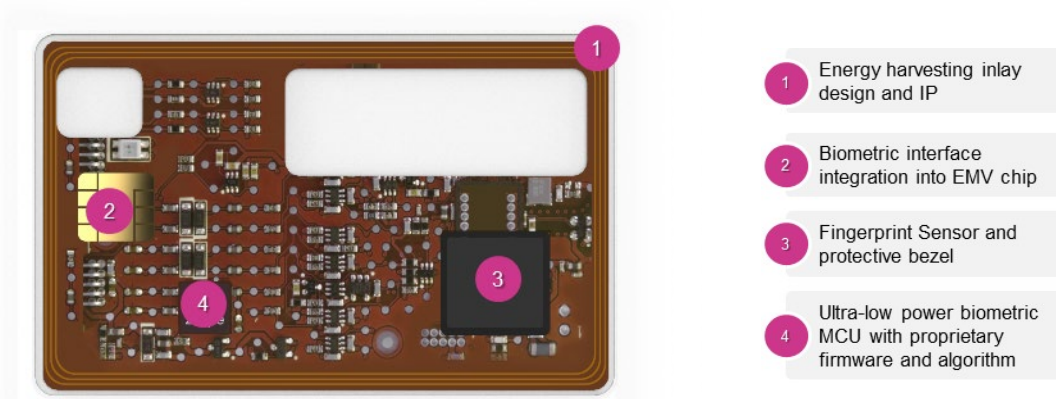
7.5 Principal activities and products offering

7.5.1 Introduction

At the heart of Zwipe's product line is the promise of making convenience secure. The Zwipe Technology Platform is optimized to be embedded in constrained, ultra-low power applications like wearables, IoT, access control or Payment Cards. The Zwipe Technology Platform and product offering combines the convenience of contactless technology with the security of authentication, using fingerprint biometrics instead of PIN or passwords. On Payment Cards, the user simply holds its finger placed on the sensor on the card and taps the card on the reader. Within a second, the user is authenticated and the transaction is approved and executed. Zwipe currently offers solutions and products with the Payment Card and Access Control Industries.

7.5.2 Payment Card Industry

In the Payment Card Industry, Zwipe's primary product offering at the date of this Prospectus consists of a biometric Inlay. A biometric Inlay is the electronic circuit board inside of the Payment Card (the "**Biometric Inlay**"), notably containing the combination of Zwipe's biometric algorithms, card firmware and biometric processor (the "**Zwipe Biometric Engine**"), performing power harvesting and power management functionality. The Biometric Inlay may also contain a fingerprint sensor and other electronic components which the Company sources from third party vendors. The picture below to the left is an illustration of a "dummy" Biometric Inlay with explanations of some of the components to the right:



Payment Scheme certified Card Manufacturers buy these Biometric Inlays from Zwipe, plastic-laminate and personalize them into Biometric Payment Cards with payment applications and cardholder details before selling them to an Issuer. The process for Card Manufacturers to buy Inlays from 3rd party vendors is well established and commonly used in the Payment Card manufacturing industry, allowing Zwipe's product offering to fit well with established manufacturing processes.

The Biometric Inlay, as part of a Biometric Payment Card, is subject to Payment Scheme certification processes as further described in Chapter 7.6 "Pre-deployment Payment Scheme certification". As further described in the last paragraph of said Chapter, the Payment Cards are commercially deployable under certain conditions granted by the Payment Scheme for each deployment prior to full certification.

In addition to the Biometric Inlay, Zwipe plans to provide certain payment system integrations, customer integration consultative services, proprietary ultra-low power biometric algorithms, card management firmware, licensing of IP on Zwipe Core Technology and production methods and various fingerprint enrolment solutions.

7.5.3 Access Control Industry

In the Access Control Industry, Zwipe's primary products are cards/credentials with the Zwipe Biometric Engine embedded, where Zwipe Core Technology is encased and ready to be used with the end customer's access control systems. These cards/credentials are sold to security system vendors or security integrators who in turn sell and install systems for the end customers. These cards are available with most major communication interfaces used in the industry today, making the Zwipe Access Cards seamlessly compatible with the existing door readers infrastructure deployed in the global access control market today.

As the biometric data never leaves the cards, and the contactless communication interface is standard to the industry, customers can essentially upgrade their legacy access control systems to a biometric two-factor authentication security level simply by exchanging the access control cards/credentials with Zwipe Access Cards. Further, as the biometric data never leaves the card, no central database is needed for management of sensitive fingerprint data, which is increasingly important from a privacy perspective, due to new regulation such as GDPR and growing fraud.

7.5.4 Wearables, Identification, IoT and OEM Industry

For the wearables/IoT and government ID industries, the Company plans to supply components containing Zwipe Core Technology differentiators like the ultra-low power biometric algorithm included in a highly

power optimized MCU component associated with power harvesting, power management, Zwipe IP and payment system integrations.

Typical customers for the wearables/IoT and government ID industries are 3rd party companies, often original equipment manufacturers in need of biometric and/or payment systems for integration in their product offerings. Zwipe plans to provide core components, payment integrations, IP and system integration services to such 3rd party companies integrating the Zwipe Core Technology and potentially charge license and/or per unit fees for commercial deployments. The recent announcement with Tappy Technologies Limited is in line with this objective.

7.6 Pre-deployment Payment Scheme certification

Before the Company, together with the Card Manufacturer, can launch its full-scale commercialization of its biometric payment cards, the biometric Payment Cards, including the Biometric Inlay, has to achieve final certification with the relevant Payment Schemes – such as Visa and MasterCard. The Card Manufacturer is responsible for such final certification as further described in Chapter 11 "EMV regulatory framework", but Zwipe is responsible towards the Card Manufacturer for its components of the Biometric Payment Card. Upon completed Biometric Payment Card certification, the Card Manufacturer will receive a Letter of Approval (LOA) from the Payment Schemes which enables full scale commercial deployment for the Card Manufacturer.

The Company anticipates that this final certification process will be concluded during H1 2019.

Notwithstanding the foregoing, the Company and the Card Manufacturer may, prior to full certification, carry out deployment of Biometric Payment Cards with banks if the relevant Payment Scheme consents to such deployment. Such consent is given in a waiver agreement that outlines the terms and conditions of the deployment in question. Upon full certification, as outlined above in this Chapter 7.6, waivers are no longer required for commercial deployment.

7.7 Technology and R&D

Zwipe's design and development approach started as one of a system integrator that incorporates its own technology as well as other best of breed technologies. Zwipe has taken advantage of this system integrator approach by developing one-of-a-kind, differentiating technologies specifically for constrained, ultra-low power environments. The emerging market need for low power, low profile technologies gives Zwipe a unique insight into the current and future roadmaps of technology suppliers in these markets. Due to Zwipe's first mover advantage and close collaboration with key stakeholders in the payment and access control ecosystem, the Company has accumulated a unique knowhow and expertise and leveraged this in the development of Zwipe Core Technology. The combination of this expertise and Zwipe Core Technology forms the basis for Zwipe's advanced technology and solutions platform (the "**Zwipe Technology Platform**").

The following main points describe the Zwipe Technology Platform:

Zwipe Core Technology:

- Energy harvesting and power management systems
 - *Effective energy harvesting and power management are key differentiators for Zwipe. Zwipe's proprietary technology, expertise and IP in these areas has allowed Zwipe to be a first mover and technology leader in biometric card-based solutions, enabling Zwipe's customers to provide contactless biometric smart cards without requiring a battery, which can operate with existing point-of-sales infrastructure.*

- *Zwipe is developing an ASIC for power harvesting and power management. This important development addresses factors important to Zwipe's differentiation and protection of core IP. These factors include;*
 - *Power reduction – This purpose-built ASIC will allow for further efficiencies and power budget reductions that are important for ultra-low-power solutions*
 - *Configurability – Zwipe's knowhow in energy harvesting will be built into this ASIC while allowing for configurability for use in many environments*
 - *Cost reduction – Zwipe will replace many disparate components with the ASIC which will reduce overall cost while increasing performance*
 - *Security – Zwipe's ASIC design will protect Zwipe's valuable IP*
 - *Flexibility – Zwipe's ASIC is designed to work with multiple fingerprint sensors and MCU platforms*
- *Firmware design specific to ultra-low power/high performance embedded applications*
 - *As Zwipe develops the entire firmware layer in-house, the Company can tailor or modify and enhance components when needed or when a new solution needs to be developed and integrated into its product offering*
- *A biometric algorithm designed for ultra-low power / high performance embedded applications*
 - *At the heart of Zwipe's biometric solutions is the processing algorithm. Fingerprint enrolment and matching solutions for these ultra-low power environments are unique in their needs to perform swiftly and efficiently due to the limited power and time they have at their disposal.*

Zwipe Expertise:

- *Biometric Inlay design and layout for Payment Cards*
 - *Due to close collaboration with Payment Schemes, Card Manufacturers, and technology partners, Zwipe has developed a knowhow of the design and layout needs for both payment and access control technologies. Zwipe has been able to further differentiate its circuit board designs to maximize efficiency, performance and cost. These Biometric Inlays integrate all the traditional Payment Card components with the ability to securely validate the card user's ID through fingerprint biometrics. This is performed on existing payment infrastructure deployed today.*
- *Electronic, biometric-based circuit board design and layout for access control and ID applications*
 - *These inlays and full card solutions are designed to work with the current access control infrastructure but add the critical component of positively identifying the card holder.*
- *Full payment and access card construction and manufacturing knowhow*
 - *Being first to market, the Company had to define manufacturing processes for every part of the Value Chain related to Biometric Payment Cards. This effort has created a valuable expertise that can be offered to Value Chain partners. This can potentially provide opportunities for alternative revenue sources for Zwipe.*
- *In-house integration and testing expertise to accommodate various security and identity management use cases*
 - *Zwipe has invested heavily in test equipment, tools and training to efficiently tune its technology to fit the ecosystem needs.*
- *Payment and biometric system integrations*
 - *Zwipe has together with 3rd party vendors of payment secure element operating systems and payment applications realized seamless and secure integrations between Zwipe's Biometric*

Engine and the payment applications for several Payment Schemes. These integrations are at the core of Zwipe's value proposition enabling to perform transactions on standard EMV infrastructure, with no transaction limit on contactless transactions required. These integrations will also be applicable for Zwipe's wearables, IoT and OEM solutions.

- Biometric enrolment solutions design
 - *Access control and Payment Ecosystems all have their own business needs when it comes to fingerprint enrolment and the related security requirements. Zwipe has multiple subject matter experts that are involved in the design and development of systems that can accommodate all of the anticipated enrolment scenarios. Many of these systems have already been developed.*

7.8 Intellectual property

7.8.1 General

Zwipe's assets include a wide range of IPR (as defined in this Prospectus). The Company has developed a comprehensive IP strategy and IP policy, which jointly relates to the development, ownership, protection and commercial exploitation of IP created by employees in the course of their duties or activities for the Company.

The IP policy aims to:

- 1) Set out the Company's procedures on the identification, ownership, protection and commercialization of IP;
- 2) Ensure the timely and efficient protection and management of IP;
- 3) Facilitate the recording, monitoring and maintenance of the Company's patent portfolio;
- 4) Build IP risk awareness into due diligence of supply chain members and potential business partners, and continue monitoring IP protection among suppliers and partners;
- 5) Establish a repository of default documents such as statements of work, terms and conditions, NDAs, licensing agreements (among others), and identify triggers for timing of when such documents must be presented and negotiated;
- 6) Identify the relevant employees who will translate commercialization opportunities into specific deal terms and the appropriate valuation method and calculation; and finally,
- 7) Address strategy towards assertions of infringement or invalidation of IP rights.

To ensure effectiveness and to demonstrate commitment to IP protection, the Company monitors and improves these IP management systems on a continuous basis. To uphold this, an IP Review Committee (consisting of the CEO, the COO and the CGO) meet regularly to monitor the pulse of the IP portfolio and its interplay in the Company's roadmaps and competitive landscape.

All IP rights are owned by the parent company Zwipe AS. As a condition of employment, it is acknowledged and agreed that any rights to inventions and work created during any employee's engagement will be assigned to the Company.

Zwipe have several patents established for power harvesting, the Zwipe Biometric Engine and other areas of the Zwipe Core Technology, such as manufacturing methods, applications and enrolment. An important strategy for Zwipe is to protect its IP and continue developing patents as well as filing new patents for new inventions discovered during the course of a development phase.

Zwipe Core Technology, as further outlined in Chapter 7.6, is developed and based on different IP rights owned by Zwipe. Zwipe has at the time of this Prospectus applied for 31 patents of which 8 patent families and 12 unique patents are granted. Some of the patents, granted or applied for, are fundamental to Zwipe's

Technology Platform and some are relating to inventions relevant to the production process of the Biometric Inlay, of certain functionalities of a Payment Card, the embedding of components to a Payment Card, etc. Some of these inventions are relevant to the Biometric Inlay as it is designed today, others to the technology roadmap, and/or valuable in a broader context for Zwipe through potential licensing.

With regard to Zwipe Technology Platform, this is built partially based on patented technology and partially on trade secrets. This combination has a strategic value since the combination will never be in the public domain.

The current patent portfolio is organized in five categories:

- **Applications**
 - Using external devices to aide functionality of Zwipe technology
 - Example: Using a mobile app to guide the enrollment process
- **Biometrics**
 - Pertains to enrollment and/or authentication
 - Example: An algorithm processes the biometrics; a card works after authentication
- **Energy harvesting**
 - Variety of energy sourcing, optimization, and management methods
 - Example: Harvest energy from the radio frequency emitted by a contactless reader
- **Production**
 - Methods associated with design and manufacturing of access control and Payment Cards
 - Example: New methods for mounting an EMV Module on a Payment Card
- **Security**
 - Processes or attributes to protect the end user or the card Issuer

Example: Encrypting communication between the EMV Module and the MCU

Different IP assets can be commercialized in different ways, and the Company is looking into how to maximize capitalization of these assets. At present the Company is in negotiations of its first licensing agreement for Zwipe IP.

Zwipe has since 2012 been working closely with Dehns Patent & Trade Mark Attorneys ("**Dehns**") in London on all patent applications.

The steps normally used by Zwipe in new patent filings are as follows:

- (i) Dehns receives an invention disclosure from Zwipe containing an explanation of the inventive concept and how it is implemented.
- (ii) Depending on the nature of the inventive concept Dehns may carry out a search for earlier patent rights (Zwipe also does this in-house), and Dehns will also check prior art known to them from similar earlier patent filings for Zwipe.
- (iii) Assuming that this research does not provide any reason to doubt patentability, Dehns prepares and files a patent application. If possible, this is done with a request for a search via the United Kingdom Intellectual Property Office ("**UK IPO**"), which has a cost effective and quick patentability search. In some cases, Dehns needs to first file via the United States Patent and Trademark Office ("**USPTO**") and then file in the UK once Dehns has received a foreign filing permission from the USPTO.
- (iv) The UK IPO search report (which is focused on patentability) usually issues within 4-6 months and provides Zwipe with an 'official' view on patentability. This is reviewed by Dehns and Zwipe. If requested by Zwipe, Dehns will provide detailed advice.

Later in the life of the patent family further search and/or examination reports will be issued providing additional input on potential prior art in connection with patentability and possible grounds for rejecting an application.

The Zwipe patent portfolio, both pending and granted, are as a main rule applied for as Patent Cooperation Treaty applications ("PCT"). The PCT is an international treaty with more than 150 contracting states. The PCT makes it possible to seek patent protection for an invention simultaneously in many countries by filing a single "international" patent application instead of filing several separate national or regional patent applications. The granting of patents remains under the control of the national or regional patent offices in what is called the "national phase".

The Zwipe IP rights are developed partially in-house and partially by various outside companies and consultants, in particular in the form of inventions for which patent applications have been filed. For all of Zwipe's currently pending and granted patent rights there are assignments in place for the purpose of transferring rights from inventors to Zwipe and/or confirming the chain of title and ownership by Zwipe where rights may already be transferred to Zwipe under national law or via other agreements (e.g. under employment contracts). This includes assignments to Zwipe from consultants and/or third parties as appropriate, including transfer of rights to Zwipe from the inventors and, if necessary, from consultant companies or other companies that were the employers of the inventors.

To the best of Zwipe's and Dehn's knowledge (as per a separate statement from Dehns) the patent rights are all currently in good standing with the respective patent offices and at the present time there are no overdue fees or the like. In addition, Zwipe is not aware of any disputes relating to the granted or the applied for patent rights, aside from the opposition at the European Patent Office ("EPO") in respect Zwipe's patent for the method of manufacturing an electronic card (which patent has been granted in certain other jurisdictions). This patent, which is not part of the Biometric Inlay, has been granted in certain other jurisdictions, and such patents in the U.S., China, Australia and South Korea will survive and remain in effect even if the EPO patent is cancelled.

The opposition against Zwipe's EPO patent for the method of manufacturing an electronic card was considered by EPO's Examining Division in November 2018, and the Examining Division did not rule in favour of Zwipe in this first instance. However, the Company plans to appeal the decision of the Examining Division to EPO's Boards of Appeal, and until an appeal has been considered by the EPO's Boards of Appeal, Zwipe's EPO patent will remain in force. Any cancellation of this EPO patent is therefore subject to the consideration and decision of said appellate court.

7.8.2 Patents

The Company has, *inter alia*, been granted the patents, which in the Company's opinion are important to its current business, for the following elements of its product:

- Fingerprint matching algorithm
- Fingerprint enrolment algorithm
- Power harvesting
- Power load management
- Biometric enrolment authorization
- Contactless biometric identification device allowing multiple configurations
- Security protected Radio Frequency Identification (RFID) device

These patents have already been granted in one or more jurisdiction (e.g., U.S., Singapore and the United Kingdom) with applications for further patent grants for each of them in several other jurisdictions.

These patents have, in general, a 20-year lifespan from the date of the PCT filing, and they expire in the period 2033 to 2035 depending on the PCT filing date.

In addition to patents being relevant to Zwipe's Biometric Inlay, the Company also has patents with industry-wide applications, including production methods and communication and power harvesting, which might provide opportunities for future licensing revenues.

In addition to the granted, publicized patents listed above, the Company has applied for more than 60 other patents. The details of the patent applications that, as of the date of this Prospectus, have neither been granted nor made public, constitute trade secrets and said details are, therefore, not disclosed in this Prospectus.

The Company's granted and pending patents are important to the Company's ongoing and future business in multiple respects: first, they are important with regard to the development of the Company's products and solutions; second, they protect the Company from third party infringement; and third, the Company may be able to monetize the patents by granting third parties license to use them against a license fee.

7.9 Customers

The primary customers of Zwipe are the Card Manufacturers. They purchase the Biometric Inlays to integrate them into their card manufacturing processes to produce finished Biometric Payment Cards. The Payment Card Industry differentiates between the major leading Card Manufacturers producing more than 1 billion Payment Cards per year (the "**Tier 1 Card Manufacturers**"), and the Card Manufacturers producing a minimum of 1 million of Payment Cards per year (the "**Tier 2 Card Manufacturers**").

Pending certification and market take-off the Company has so far sold Biometric Inlays in insignificant volumes. Zwipe's key customer, and only Tier 1 customer, is Gemalto. Potential other Tier 1 customers are Giesecke and Devrient and Idemia. Zwipe is working with several Tier 2 Card Manufacturers, like CPI and Silone.

The secondary and indirect customers of Zwipe are all the Issuers and financial institutions distributing the Payment Cards to individuals. Since the Card Manufacturers produce Biometric Payment Cards at the request of an Issuer, the Issuers represent the real decision makers in the Biometric Payment Card Value Chain. Zwipe's solutions for biometric enrollment can be sold to Card Manufacturers or directly to the Issuers. Following Zwipe's leadership position in the Biometric Dual Interface Payment Card market, the Company is involved in business partnerships with all the major stakeholders in the Biometric Payment Card Value Chain.

For the global Payment Schemes, Zwipe supports the growth and promotion of contactless transactions as the primary payment method, by improving both convenience and security. Several surveys conducted by the two largest Payment Schemes have demonstrated that consumers – i.e. cardholders – are ready for biometrics and they are asking for Biometric Payment Cards to be issued by their bank at the earliest.

For the Issuers and financial institutions distributing the Payment Cards, Zwipe ensures brand visibility, enhances the “top of wallet” effect and reduces real and perceived fraud.

For the Card Manufacturers, Zwipe brings a Technology Platform and a leading product solution at the forefront of what is currently available, allowing Card Manufacturers integrating the Zwipe's Biometric Inlay to offer Payment Cards with high benefit and strong competitive advantage to their own customer base.

Biometric Payment Cards are going through various phases allowing the major stakeholders to progressively experience and validate this disruptive technology. After a proof of concept period where Biometric Payment Cards have been demonstrated (2017), the market has entered a pilot phase where several international Issuers and financial institutions are issuing Biometric Payment Cards within controlled environments and in limited quantities (2018 and early 2019).

In the following phase (2019), several Issuers are expected to launch deployment programs in volumes allowing the whole value chain to mature the technology lifecycle and improve technical performance and lower costs.

By addressing the needs of all parties in the value chain, Zwipe's innovative biometric solution is gaining traction and further growth is planned globally over the coming years.

Consequently, Zwipe is now engaged from a commercial standpoint with both Tier1 and Tier2 Card Manufacturers, as well as with global financial institutions, and several pilot programs of Biometric Payment Cards are planned based on Zwipe Core Technology. In this context, several global top twenty banks and a leading Nordic bank are currently in dialogue regarding new Biometric Payment Card pilots.

The global adoption rate of Biometric Dual Interface Payment Cards will be dependent on various factors including, amongst others, i) the timing and completion of the product certification process, ii) the availability of efficient and convenient enrolment solutions, iii) the success of pilot programs, iv) the adoption rate by the consumers, v) inlay production capacity and vi) cost development.

7.10 Competitive position

Zwipe, with its first mover advantage and unique Technology Platform, has a strong position in the Biometric Payment Card Value Chain. As described in Chapter 6.4, the market is typically split into Biometric Payment Card constellations, where various stakeholders provide different technologies and solutions to bring the Biometric Payment Card to market. Zwipe provides several functions and offerings to the Card Manufacturers, and faces different competition in the different categories. An example of a competitor providing inlays is Linxens, an example of a competitor providing energy harvesting solutions is NXP, and an example of a competitor providing biometric algorithms is Precise Biometrics. In addition to these, some of Zwipe's offering is also developed in-house by the Card Manufacturers, for parts or all of its portfolio.

Being a first mover, Zwipe has developed knowhow and offerings to bring forward a complete offering including the different areas mentioned above, ahead of competition. The company is also working on further improving these, through its development program Generation NxT.

In addition to its product offerings, Zwipe's competitive strengths lie in its IP portfolio which is probably one of the most extensive intellectual property portfolio in the biometric payment cards space.²⁰

7.11 Infrastructure and IT systems

Zwipe's IT infrastructure and IT platform are based on standard software from external vendors based on the Microsoft technology. The IT platform is cloud based with functionalities such as single-sign on, automatic provisioning of user accounts and licensing. The management of the IT platform infrastructure and operations is outsourced to a third party (Intility), together with purchase and management of IT devices to ensure security, functionality and compliance with regulations. In 2017, Zwipe implemented an ERP

²⁰ <https://embeddedsecuritynews.com/2018/07/research-the-rise-of-biometric-cards-edition-july-2018/>

system (Microsoft Navision) to handle the company's management of financials, manufacturing, sales, marketing and supply chain.

7.12 Insurance

The Company has obtained insurance policies covering office and office movables in Norway and the United States, machinery (in respect of the Company's production line in China), employer's liability (Norwegian: "*personalforsikring*") (relating to occupational injury etc.) and travel. The insurance coverage is designed according to market practice for entities within the same sector and with similar scale of operations.

In addition, the Company has obtained a directors' and officers' insurance policy covering the members of the Board of Directors and Management in their capacity as such.

The insurance policies include different deductibles and coverage limits according to the type of coverage.

The Group considers itself to be adequately covered with regard to the nature of its business activities and the related risks in the context of available insurance offerings and premiums. The senior management regularly reviews the adequacy of the insurance coverage. However, no assurance can be given that the Group will not incur any damages that are not covered by its insurance policies or that exceed the coverage limits of such insurance policies.

7.13 Zwipe's partnerships and alliances and their importance

Zwipe has entered into, and will continue to pursue, key relationships with leading companies in their markets. Zwipe has a partner strategy, and the Company has secured a world-class supply chain for volume manufacturing and multiple sales channels to support major customers. The core strengths and business of these industrial partners provide the necessary ecosystem for the payment and access control supply chain covering semiconductor solutions, inlay manufactures and card lamination partners.

- AsteelFlash: Electronics manufacturing
- Future Electronics: Sourcing of electronic components
- US based IC developer: ASIC development
- US based tier-1: Secure and ultra-low power processing units
- Europe based tier-1 Semiconductor: Delivery of Secure Element and support in integration
- Fingerprint Cards: Supply and support in integration of Finger Print sensor
- Visa: Certification and marketing support
- Global Payment Scheme: Certification and marketing support

Zwipe is setting up strategic alliances for completing a value chain excelling with power efficient biometric solutions. The Company's business depends on these relationships. Zwipe has partnered with a few large global card manufacturers and technology suppliers for the payments market and is targeting to continue its strategy to broaden its customer base over time.

Examples of key customers:

- Card Manufacturers:
 - Gemalto: Multiple SOW agreements covering R&D development, Pilots and guidelines for initial commercial deployment
 - CPI: SOW covering R&D development
 - Silone: MOU covering R&D development and pilots
 - Allcard: Memorandum of Understanding (MOU)

- TAG Systems: SOW
- Banks/ payments processors:
 - Bank of Cyprus: purchasing agreement through Gemalto
 - Areeba: purchasing agreement through Gemalto
 - Banca Intesa San Paolo in Italy: purchasing agreement through Gemalto

7.14 Offices

The Company operates out of rented properties in Rådhusgata 24 in the municipality of Oslo. The Company's rented offices are 279 square metres. The monthly rent is NOK 46,035.

8 Financial information

8.1 Introduction

The tables set out in this Chapter 8 "Financial information" present selected financial information derived from (i) the Group's audited consolidated financial statements (including the notes thereto) as of and for the year ended 31 December 2017, with comparable figures for the years ended 31 December 2016 (the "**Consolidated Financial Statements**"), from (ii) Zwipe's audited financial statements (including the notes thereto) as of and for the year ended 2015 (the "**2015 Financial Statements**", jointly with the Consolidated Financial Statements, the "**Financial Statements**"), as well as the unaudited interim consolidated financial information as of and for the six month periods ended 30 June 2018 and 2017 (the "**Interim Financial Statements**"). The Financial Statements and the Interim Financial Statements are incorporated by reference to this Prospectus, see Chapter 18.2 "Documents incorporated by reference".

The Consolidated Financial Statements and the Interim Financial Statements have been prepared in accordance with Norwegian Generally Accepted Accounting Principles ("**NGAAP**"), and the 2015 Financial Statements have been prepared in accordance with NGAAP for smaller enterprises, NRS 8 ("**NRS 8**").

The selected financial information presented herein should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements and the Interim Financial Statements (incorporated by reference to this Prospectus, see Chapter 18.2 "Documents incorporated by reference") and should be read together with Chapter 9 "Operating and financial review".

The Company's auditor is BDO AS, Munkedamsveien 45A, 0250 Oslo Norway. BDO AS and its auditors are members of The Norwegian Institute of Public Accountants (Norwegian: "*Den Norske Revisorforening*"). BDO AS has been the Company's auditor since 2010. The Financial Statements have been audited by BDO AS, and the auditor's reports are included together with the Financial Statements. The Interim Financial Statements have not been audited.

BDO AS has not audited, reviewed or produced any report or any other information provided in this Prospectus.

The financial reports and information are also available at the Company's website.

8.2 Summary of significant accounting policies

8.2.1 General

The Consolidated Financial Statement and the selected consolidated financial data presented below have been prepared for the purpose of this Prospectus and the listing on Merkur Market, and has not been approved by Zwipe's General Meeting. The 2015 Financial Statements were approved by Zwipe's Annual General Meeting in 2016. As Zwipe originally had prepared financial statements for Zwipe AS (not consolidated) and these were also reported according to NRS 8, the Company had to restate its financial statements for 2016 and 2017 for the purpose of this Prospectus.

For information regarding accounting principles and the use of estimates and judgements, please refer to the notes of the Financial Statements as of, and for the years ended, 31 December 2017, 2016, and 2015 incorporated by reference in this Prospectus.

In 2018, a potential for a new revenue stream was discovered, whereby Zwipe would license its patents instead of offering the patent protection as part of the final technology product offering. This initiated a change in the Company's accounting methodology. All patent costs are from 1 January 2018 expensed

directly, as it would be difficult to measure reliably the timing of when the income from the license of patents will occur, as required when capitalizing intangible assets. Please see Chapter 8.2.3 for a description of the effect the accounting methodology change had on the capitalized assets.

8.2.2 *Effects of the transition from NRS 8 to NGAAP*

The transition from NRS 8 to NGAAP as from 1 January 2016 effects only the need to expense the share based remuneration program. This results in an increased payroll cost of NOK 407,000 in 2016 and has an equity effect of NOK 642,000 in the same year (value of the option program). The effect of implementing the share based compensation principle due to the transition from NRS 8 to NGAAP in the 2016 balance sheet is NOK 236,000.

8.2.3 *Effects of the transition from unconsolidated to consolidated*

The transition from unconsolidated to consolidated financial statements for Zwipe AS and Zwipe America Inc. as from 1 January 2016 is mainly the reclassification of other operating expenses (in Zwipe AS) to payroll and depreciation of tangible and intangible fixed assets in the consolidated financial statements. In addition, tax is paid in Zwipe America Inc. and effects the consolidated statements, as tax has not been due in Norway based on the Zwipe AS financial statements. Balance sheet effects include adjustments to financial fixed assets, total cash balance, equity and accounts payables. The consolidation effect in 2016 of NOK 188,000 is the profit from 2015 from Zwipe America Inc. (NOK 137,000) and currency effect of NOK 50,000.

8.3 **Condensed profit and loss statements**

The table below sets out selected data from the Group's condensed consolidated profit and loss statements for the six months ended 30 June 2018 and 2017 (unaudited) prepared in accordance with NGAAP (the Interim Financial Statements), from the Group's condensed consolidated profit and loss statements for the years ended 31 December 2017 and 2016 (audited) prepared in accordance with NGAAP, and the condensed profit and loss statements for Zwipe AS for the years ended 31 December 2016 and 2015 (audited), prepared in accordance with NRS 8.

Consolidated profit and loss statement

	Six months ended 30 June		Year ended 31 December			
Operating income and operating expenses (in TNOK)	2018 (unaudited) NGAAP Consolidated	2017 (unaudited) NGAAP Consolidated	2017 (audited) NGAAP Consolidated	2016 (audited) NGAAP Consolidated	2016 (audited) NRS8 Un-consolidated	2015 (audited) NRS8 Un-consolidated
Sales revenue	677	402	1 073	509	509	664
Other operating income	-	109	152	88	88	60
Operating income	677	511	1 224	597	597	724
Cost of goods sold ²¹	743	928	2 454	401	401	2 607
Payroll expenses	11 242	9 022	17 654	12 906	5 718	3 726

²¹ COGS or Cost of goods sold is defined in Chapter 9.1.1.

Depreciation of tangible and intangible fixed assets	6 979	1 376	4 166	2 762	2 599	1 818
Other operating expenses	11 910	13 954	27 420	19 441	27 430	12 686
Operating expenses	30 874	25 281	51 694	35 511	36 148	20 837
Operating profit/loss	-30 196	-24 770	-50 469	-34 913	-35 551	-20 113
Financial income and expenses						
Other interest income	0,33	0,13	47	11	11	15
Other financial income	205	38	706	737	737	2 449
Other interest expenses	392	21	2 509	700	700	106
Other financial expenses	329	97	1 013	1 185	1 185	58
Net financial income and expenses	-516	-80	-2 769	-1 136	-1 136	2 300
Result before tax	-30 712	-24 850	-53 239	-36 050	-36 687	-17 814
Tax expense	-	-	506	246		
Result for the year	-30 712	-24 850	-53 745	-36 296	-36 687	-17 814

The financial income and expenses for the six months ended 2017 and 2018 are not comparable. Please refer to Chapter 9.1.2 for further details.

8.4 Statements of financial position

The table below sets out selected data from the Group's condensed consolidated statements of financial position as at 30 June 2018 and 2017 (unaudited) prepared in accordance with NGAAP (the Interim Financial Statements), from the Group's condensed consolidated statements of financial position for the years ended 31 December 2017 and 2016 (audited) prepared in accordance with NGAAP, and from the condensed statement of financial position for Zwiipe AS for the years ended 31 December 2016 and 2015 (audited), prepared in accordance with NRS 8.

Balance Sheet

Balance sheet (in TNOK)	Six months ended 30 June		Year ended 31 December			
	2018 (unaudited) NGAAP Consolidated	2017 (unaudited) NGAAP Consolidated	2017 (audited) NGAAP Consolidated	2016 (audited) NGAAP Consolidated	2016 (audited) NRS8 Un-consolidated	2015 (audited) NRS8 Un-consolidated
Assets						
Fixed assets						
Intangible fixed assets						
Research and development	4 579	3 347	2 157	4 351	4 351	4 393
Licences, patents etc.	-	5 890	5 333	3 543	3 543	1 845

Total intangible assets	4 579	9 237	7 490	7 893	7 893	6 238
Tangible fixed assets						
Equipment., fixtures and fittings and other movables	2 373	3 407	2 542	969	910	453
Total tangible fixed assets	2 373	3 407	2 542	969	910	453
Financial fixed assets						
Investments in subsidiaries	-		0	0	386	386
Other receivables	1 136	1 122	1 136	208	208	179
Total financial fixed assets	1 136	1 122	1 136	208	594	565
Total fixed assets	8 088	13 766	11 168	9 071	9 398	7 256
Current assets						
Inventories	5 446	3 850	5 141	4 108	4 108	677
Total inventories	5 446	3 850	5 141	4 108	4 108	677
Receivables						
Accounts receivables	938	245	107	109	109	355
Other receivables	6 000	4 757	5 586	4 488	4 445	3 401
Total debtors	6 938	5 002	5 693	4 597	4 554	3 756
Bank deposits, cash and cash equivalents	37 900	28 107	49 263	19 825	19 289	37 623
Total bank deposits, cash and cash equivalents	37 900	28 107	49 263	19 825	19 289	37 623
Total current assets	50 285	36 960	60 097	28 530	27 952	42 056
Total assets	58 372	50 726	71 265	37 601	37 350	49 313
Equity						
Share capital	943	519	743	457	457	455
Share premium reserve	28 468	119 570	37 854	82 248	82 248	81 648
Losses from previous years	-	- 97 580		-73 438	-74 389	-37 703
Total restricted equity	29 411	22 509	38 597	9 267	8 315	44 401
Total equity	29 411	22 509	38 597	9 267	8 315	44 401
Liabilities						
Other long term liabilities	663	1 140	888	24 538	24 538	1 825
Total of other long term liabilities	663	1 140	888	24 538	24 538	1 825
Current liabilities						
Trade payables	2 062	2 632	4 065	1 735	2 633	2 134
Public duties payable	723	342	541	441	441	281

Tax payable	-	-	291	176	0	0
Other short term liabilities	25 514	24 104	26 884	1 446	1 424	671
Total short term liabilities	28 299	27 077	31 780	3 797	4 497	3 087
Total liabilities	28 962	28 217	32 668	28 334	29 034	4 912
Total equity and liabilities	58 373	50 726	71 265	37 601	37 350	49 313

8.5 Statements of cash flow

The table below sets out selected data from the Group's condensed consolidated cash flow for the six months ended 30 June 2018 and 2017 (unaudited) prepared in accordance with NGAAP (the Interim Financial Statements), from the Group's condensed consolidated cash flow for the years ended 31 December 2017 and 2016 (audited) prepared in accordance with NGAAP, and from the condensed cash flow for Zwipe AS for the year ended 31 December 2015 (audited) prepared in accordance with NRS 8.

Cash flows from operating activities	Six months ended 30 June		Year ended 31 December		
	2018 (unaudited)	2017 (unaudited)	2017 (audited)	2016 (audited)	2015 Zwipe AS (audited)
Net income / (loss) before tax	-30 712	-24 850	-53 239	-36 050	-17 814
Taxes paid			-391	-97	-
(+) Depreciation & amortization	6 979	1 376	4 166	2 762	1 818
(-) Change in inventory	-305	258	-1 033	-3 431	-677
(-) Change in accounts receivable	-831	-136	2	246	-346
(-) Change in other current assets	-414	-1 183	-2 025	-1 116	-1 534
(+) Change in accounts payables	-2 003	897	2 330	20	944
(+) Change in current liabilities	1 162	467	1 178	566	122
Net cash use in operating activities	-26 124	-23 171	-49 012	-37 100	-17 486
Cash flows from investing activities					
Intangible assets and capital expenditures	-3 898	-5 158	-5 336	-4 933	-2 294
Net cash provided by (used in) investing activities	-3 898	-5 158	-5 336	-4 933	-2 294
Operational cash flow	-30 023	-28 329	-54 348	-42 034	-19 781
Cash flows from financing activities					
Interest					
Interest on shareholder loan (no cash effect)	-1 595	-740	1 789	23 454	-1 169
Equity issue	20 000	37 385	81 988	601	42 783
Investment Zwipe America Inc					-386
Net cash provided by financing activities	18 405	36 645	83 776	24 055	41 229

Effect of foreign currency translation	255	-34	10	-34	
Net increase / (decrease) in cash and cash equivalents	-11 363	8 282	29 438	-18 013	21 447
Cash and cash equivalents at beginning of period	49 263	19 825	19 825	37 837	16 176
Cash and cash equivalents at end of period	37 900	28 107	49 263	19 825	37 623
Net cash flow	-11 363	8 282	29 438	-18 013	21 447

8.6 Statement of changes in equity

The table below sets out selected data from the Group's condensed consolidated statement of changes in equity for the six months ended 30 June 2018 and 2017 (unaudited) prepared in accordance with NGAAP (the Interim Financial Statements), the Group's condensed consolidated statement of changes in equity for the years ended 31 December 2017 and 2016 (audited) prepared in accordance with NGAAP and the condensed statement of changes in equity for Zwiipe AS for the year ended 31 December 2015 (audited).

	Share capital	Share premium reserve	Retained earnings and other reserves			Total
Balance 1 January 2015	356	38 964	-	19 889		19 432
Total profit for the period			-	17 814	-	17 814
Capital increase	99	42 684				42 783
Balance 31 January 2015	455	81 648	-	37 703		44 401
Balance 1 January 2016	455	81 648	-	37 703		44 401
Consolidation effect 01.01.2015				188		188
Implementation option program expensed			-	236	-	236
Total profit for the period			-	36 296	-	36 296
Capital increase	2	599		-		601
Share based compensation				643		643
Currency			-	34	-	34
Balance 31 January 2016	457	82 248	-	73 438		9 266
Balance 1 January 2017	457	82 248	-	73 438		9 266
Total profit for the period	-	127 183		73 438	-	53 745
Capital increase	285	81 701		-		81 987
Share based compensation		1 079				1 079
Currency		9				9
Balance 31 January 2017	743	37 854	-	0		38 596
Balance 1 January 2018	743	37 854	-	0		38 596
Total profit for the period	-	30				-
		712				30 712
Capital increase	200	19 800				20 000
Share based compensation		1 271				1 271
Currency		255				255
Balance 30 June 2018	943	28 467	-	0		29 410

Capital increases

The ongoing losses in the years reported in this Prospectus have been charged to equity. Equity has been replenished by capital raises in 2015 and 2017 and 2018 of NOK 42.8 million, NOK 82 million and NOK 20 million, respectively.

Share based compensation

Over the period from 1 January 2016 to 30 June 2018, a total of 698,488 stock options have been granted in Zwipe's share incentive program. The notional injections of equity from stock option incentive schemes have been added to equity. In 2016, a total of 17,951 stock options were exercised at weighted average exercise price of NOK 32.5. In 2017, a total of 3,017 stock options were exercised at a weighted average exercise price of NOK 35.7. Please see Chapter 13.4.2.2 "Share-based incentive program for the Group's employees etc. " for more information.

The fair value of the stock options has been expensed, with the fair value calculated by using the Black-Scholes model, with the principles based on International Financial Reporting Standard ("IFRS") 2. The Black-Scholes model takes into account the variables that IFRS 2 requires as a minimum.

Employer's tax on share incentives will be payable upon exercise and partly or fully funded by the exercise amount being paid in. When subscription rights are exercised, the exercise is accounted for as a share issue at the exercise price. The payable employer's tax incurred upon exercise is in principle off-set by reversal of an accrual made on the option value of the subscription rights.

Mastercard's subscription rights granted in the Mastercard Investment Right Agreement, as further described in Chapter 13.7.1, are only exercisable upon the occurrence of an equity issue, and will terminate upon an initial public offering. The Company does not deem the subscription rights value to fulfill the criteria for liability classification and has therefore not capitalized the subscription rights.

Zwipe has since the incorporation in 2009 been funded through loans, grants and equity. As at 30 June 2018, the Company had in total raised NOK 233 million, of which equity represents 81%, loans 11% and governmental grants 8%. Of these, NOK 5 million were received in a governmental grant (Skattefunn) as late as in October 2018. The proceeds from Skattefunn are not shown in the presented cash flow statements as R&D expenses are booked net of Skattefunn.

8.7 Trend information; significant changes to the Group's financial position since 30 June 2018

The Company entered into a convertible loan of SEK 9.1 million in September 2018 with a Swedish investor, Mr. Mattias Forslin, and received positive support from Shareholder Kuang-Chi which postponed approximately 2/3 of the scheduled repayment of its USD 2.7 million shareholder loan to 31 January 2019.

In December 2018, the Company was awarded a EUR 2.3 million grant from the European Commission as a part of Horizon 2020, of which 50% is expected to be received in 2019.

In January 2019, the Company received written confirmation from Mr. Mattias Forslin that he, upon a successful Offering at least in the amount of NOK 25 million, will convert to equity the whole convertible loan in the amount of SEK 9.1 million on the terms set forth in the loan agreement.

The Company expects to receive NOK 5 million in grant from the Norwegian Government (Skattefunn) in October 2019 following its approved application in Q4 2018.

Besides the information above and the completion of the Offering, the Company is not aware of any significant changes since 30 June 2018 in the Group's financial or trading position.

8.8 Segment information

The Group operates in two main verticals; payment and access control/ID. There are dedicated products and offerings for each vertical; clamshell and complete thin cards for access control, and Biometric Inlays and demo cards for payment. Despite some differences in technology and finished products, there are, however, no allocated resources dedicated to any one of the different verticals. Zwipe does not prepare segment reporting, as there are limited revenues historically and no overhead allocation of expenses is calculated. A sales revenue split per vertical has been prepared for the purpose of this Prospectus, as presented in Chapter 9.1.1. Sales are global for all product offerings and no segment reporting by country or region has been introduced by the Group as of the date of this Prospectus.

9 Operating and financial review

The selected historical financial data discussed in this Chapter is based on the Group's consolidated financial information for the six months ended 30 June 2018 and 2017 (unaudited) prepared in accordance with NGAAP, on the Group's consolidated financial statements for the years ended 31 December 2017 and 2016 (audited) prepared in accordance with NGAAP, and on the financial statements for Zwipe AS for the year ended 31 December 2016 and 2015 (audited) prepared in accordance with NRS 8.

9.1 Management's discussions and analysis of results of operations

9.1.1 General

Revenue

Zwipe has historically had negligible revenues. The Company has sold some cards within the access control vertical, to system integrators and distributors, and a few Biometric Inlays and demo cards within the payment vertical. Other operating income is related to the sublease of office space not used by Zwipe.

Prior to 2017, only clamshell Zwipe Access Cards were sold. For 2017 and 2018, the table below outlines the share of revenue split on Zwipe's two verticals: access control and payment.

Revenues by product group (amount NOK thousands)	H1 2018	H1 2018 %	H1 2017	H1 2017 %	2017	2017 %
Access and ID	414	61 %	296	74 %	746	70 %
Payment cards (inlays and Demo cards)	264	39 %	105	26 %	326	30 %
Total Revenue	677		402		1 073	

Zwipe's top line growth going forward is depending on the market development of Biometric Payment Cards. The key determinants of the timing and speed of adoption of Biometric Payment Card are i) timing and completion of certification processes and systems for enrolment; ii) the successful execution of pilot programs and consumer acceptance and adoption of the new technology; iii) Inlay production capacity; iv) the competitive intensity at every step in the value chain (from technology solution providers to issuers); and v) manufacturing cost development for Biometric Payment Cards.

In addition to revenues from the payment and access control vertical, the Company sees additional upside potential with increased product offering into wearables, digital authentication and licensing of IP.

Operating expenses

COGS comprises component cost, manufacturing fee and shipping expenditures. All costs have been expensed. COGS reflects the production cost from manufacturing at low volumes, as opposed to mass volume manufacturing. The gross margin to date is, therefore, not representative for the expected and planned gross margin for the business in full operational mode.

Payroll expenses

The payroll expenses include expenses for all employees whether in technical, R&D, sales and marketing, products, IP or administrative functions. The payroll expenses largely reflect the number of employees in each period, but the stock option compensation is volatile and somewhat reduces the correlation. The cost of the stock option program varies over time due to grants, cancellations and vesting periods of each grant. The calculated employer's tax debt varies with the share price development.

The Group has expanded its staff by 4 employees between 30 June 2018 and the date of this Prospectus. The Group plans to expand its staff going forward in order to prepare for the commercial phase.

Depreciation and amortization

Depreciation of tangible and intangible assets are comparable to the substantial investments in IP portfolio as well as investments in laboratory equipment, IT, offices and manufacturing lines at subcontractors.

Other operating expenses

Other operating expenses comprise expenditures related to i.a. R&D, office equipment, office rent, IT infrastructure, consultants, travel, R&D tools/equipment and marketing. IP expenses are also part of other operating expenses and relates to external costs of obtaining and maintaining patents as well as incurred licence fees. Other operating expenses have tripled since 2015 due to expanded staff, new office facilities and increased use of external advisors and consultants.

R&D expenses comprised 34% of total operating expenses in 2017. R&D expenses comprised 58% of payroll expenses in 2017. R&D expenses include purchased materials and components as well as external project costs for design, manufacturing (production trials and pilot production runs), testing and other work conducted by various companies and institutions. In the period covered by this Prospectus, the major part of the R&D expenses has been related to the development of the Biometric Inlay and continued optimization of Zwiipe's Technology Platform.

Expenses related to R&D activities have been capitalized when the criteria for capitalization has been satisfied. Research costs are always expensed.

R&D expenses are net of the Skattefunn grants from the Norwegian government.

Net financial income and expenses

The net financial items mainly relate to interest expenses and gain/losses on foreign exchange transactions.

9.1.2 *Results of operations for the six months ended 30 June 2018 compared with the six months ended 30 June 2017*

Sales of Biometric Inlays for Payment Cards gained traction in first half year ("H1") 2018, with the launch of the world's first battery-less Dual-Interface fingerprint activated Payment Card pilot. Total sales revenues H1 2018 was NOK 0.7 million, of which the sale of Biometric Inlays represents 39%. Excluding revenue from subleasing offices in H1 2017, the H1 2018 revenue represents an increase of NOK 0.3 million from H1 2017. The revenue increase reflects the increased momentum within biometric cards.

Due to continued optimization of the Biometric Inlay, the gross margins on the Biometric Inlays are lower than what the Company expects to have in full-scale production. The COGS will reflect the market situation and cost structures in the biometric payment card manufacturing industry, as well as Zwiipe's and its partners' negotiating position.

Total operating expenses H1 2018 was NOK 30.9 million, up NOK 5.6 million from 2017, reflecting increased R&D expenses and change in accounting methodology for IP related costs, increasing the amortization cost by NOK 5.6 million compared to H1 2017.

Other operating expenses in H1 2018 was NOK 2 million lower compared to H1 2017 due to i.a. a new R&D lab, the initiation of the cost reduction program and preparations for the proof of concept process of the Biometric Inlay in second half year ("H2").

Interest expenses related to the shareholder loan and exchange gains and losses have been included in the H1 2018 financials, but these expenses were not included in the corresponding H1 2017 financials. In 2018, the interest expense and exchange gains and losses have been calculated every month, compared to only annually in 2017. The H1 2017 figures are only reflecting currency effects in the P&L statement and not on the Balance Sheet. The financials for H1 2017 and H1 2018 are therefore not comparable for this financial metric.

9.1.3 *Results of operations for the year ended 31 December 2017 compared with the year ended 31 December 2016*

9.1.3.1 Compared with the year ended 31 December 2016 accounts reported according to NGAAP

Zwipe reported total revenue of NOK 1.2 million in 2017, representing an increase from 2016 of NOK 0.6 million, with the sale of the world's first Biometric Inlays for Dual Interface Payment Cards for use in internal pilots/testing in Q4 2017. In 2017, Zwipe earned revenue from a proof of concept commissioned and paid by the world's largest payment Card Manufacturer. The same year the Company commenced delivery of samples and trial batches of Biometric Inlays to Card Manufacturers, earning NOK 0.3 million in revenue from selling Payment Card demo-kits. COGS increased by NOK 2 million compared to 2016 following the sales of the new payment products.

In 2017, total operating expenses were NOK 51.7 million, up NOK 16.1 million from 2016. The increase represents a larger organization in 2017 compared to 2016. Personnel expenditures increased by NOK 4.7 million following new hires in 2017. Other operating expenses increased by NOK 7.9 million in 2017 compared to 2016, mainly driven by fees related to the fundraising processes in 2017 of NOK 5.4 million. The increase in other operating expenses reflects the Company's continued efforts to prepare for growth by professionalizing operations. An ERP system was implemented during the year and IT was outsourced. The US operations moved to new offices in Colorado Springs, where a separate R&D lab was established.

R&D expenses in 2017 accounted for NOK 20.9 million of total operating expenses, corresponding to 41%, mainly related to activities optimizing the design of the Biometric Inlay for Payment Cards with regards to cost, size and power management of the existing system. R&D efforts were also spent on developing alternative solutions for fingerprint enrolment. In addition, the Company continued developing its Biometric Engine.

In order to prepare the technology solution for commercialization and high-volume production, a cost reduction project was initiated early 2017, to further develop, optimize and reduce the inlay cost by developing an ASIC. The total budget for the ASIC development project is NOK 14.8 million (USD 1.8 million). The cost reduction program has later been included in the Generation NxT program. Costs related to the cost reduction program were part of the R&D expenses described above. Total R&D cost in 2017 was NOK 26.8 million of which NOK 5.9 million were capitalized.

The result for the year reflects the Company's operational expansion plan and gave a loss of NOK 53.8 million. The increased negative result of NOK 17.4 million from 2016 is primarily driven by operational expansion.

9.1.3.2 Compared with the year ended 31 December 2016 accounts reported according to NRS 8

The main impact is that the figures are presented on a consolidated basis, meaning that all figures presented are consolidated with the US subsidiary. Further, with the transition to NGAAP the Company had to assess the fair value of its share-based incentive program and recognize the expense in the income statement. Please cf. chapter 8.2.2 and 8.2.3 for further details.

The financial impact of reporting according to NGAAP instead of NRS 8 is relevant for the following three lines in the income statement (only operating expenses):

- Payroll expenses,
- Depreciation of tangible and intangible assets
- Other operating expenses

When comparing 2017 (reporting according to NGAAP) to 2016 (reporting according to NRS 8), the impact is the following:

- Payroll expenses: increased by NOK 11.9 million, whereof NOK 7.1 million is due to the transition to NGAAP
- Depreciation of tangible and intangible assets: increased by NOK 1.7 million, whereby NOK 0.2 million is due to the transition to NGAAP
- Other operating expenses: does change from 2016 to 2017, as other operating expenses are NOK 8 million lower in 2016 when reporting according to NGAAP due to the reclassification of expenses

9.1.4 *Results of operations for the year ended 31 December 2016 compared with the year ended 31 December 2015*

Zwipe reported total revenue of NOK 0.6 million in 2016 which was driven by sales of access control cards. Total revenue in 2016 was NOK 0.1 million lower than in 2015 due to a lower sales price on access control cards sold in 2016. The higher cost of goods sold in 2015 of NOK 2.2 million compared to 2016 reflects the higher cost of introducing a new product on the market.

Total operating expenses were NOK 36 million in 2016, up NOK 15.3 million from 2015. The increase in total operating expenses is a result of nearly doubling the organizational size in 2016, and increased activity level. Payroll expenses increased by NOK 2 million and other operating expenses by NOK 7.5 million due to operational expansion and higher level of R&D activity level in 2016 compared to 2015. Following the Company's focus on developing the first proof of concept of a Biometric Dual Interface Payment Card. In 2016, the Company had a total R&D cost (expenses and capitalized) of NOK 25.7 million related to developing its biometric solution, up from NOK 12.6 million in 2015.

The result for 2016 was in line with the Company's plans and gave a loss of NOK 36.2 million, representing an increase in the loss of NOK 20.8 million from 2015, primarily driven by operational expansion.

9.2 **Management's discussions of financial position**

9.2.1 *General*

Assets

Intangible assets comprise capitalized expenditures related to patents/IP. The company has a comprehensive patent portfolio to protect the company's methods, technology and products. A total of 61 patents have been filed, whereof 32 has been maintained at the time of the release of this Prospectus. In 2018 the company reviewed its IP portfolio and decided not to capitalize IP related expenses.

Following the discovery of a potential new revenue stream, where the IP portfolio is not only a strategic asset to protect the Company's Technology Platform, but also an enabler of revenue whereby Zwipe would license its patents, the Company initiated a change in its accounting methodology in H1 2018, expensing all patent costs directly. Following the change in accounting methodology, total intangible fixed assets decreased by NOK 4.7 million compared to H1 2017.

The fixed assets comprise R&D equipment and Non-Recurring Engineering ("NRE") expenses. These expenditures have been capitalized as these costs are related to investments in improving Zwipe's

manufacturing processes and optimization of the Biometric Inlay. Financial fixed assets comprise receivables related to loans granted to key employees. Inventory comprise raw material/components for both Zwipe Access Cards and Payment Cards, together with semi-finished goods and complete Access Cards / Inlays.

Other Receivables comprise receivables from the governmental grant Skattefunn. Various payments and VAT receivables are also included.

The cash position reflects the Company's negative operational cash flow due to insufficient revenue to cover the Operating Expenses. Shareholders have been supportive over the years and Zwipe has received new equity and liquidity from both existing Shareholders and new investors. The Company has completed several private placement processes since 2013.

Liabilities

The Group does not have any bank overdraft facility or credit lines, but a shareholder loan provided by Photon Future Limited in 2016, loans granted by Innovation Norway in 2011 and 2012, and a convertible loan granted by a Swedish investor in 2018. Other liabilities are supplier credits.

9.2.2 Financial position at 30 June 2018 compared to 30 June 2017

On 30 June 2018, the Company had a cash position of NOK 37.9 million, up NOK 9.8 million from H1 2017, following the completion of a rights issue in May 2018 of NOK 20 million.

The Company initiated a change in accounting methodology and expensed all patents cost directly as from 1 January 2018. This reduced total intangible fixed assets by NOK 4.7 million compared to H1 2017. The Company progressed with the Generation NxT project and entered into a development agreement with a partner to integrate and optimize solutions for the Biometric Inlay. The NRE charge of NOK 1.6 million was capitalized. The Company made a significant investment in lab testing equipment and training in order to perform optimizations in-house. The Company increased inventory by NOK 1.6 million compared to 30 June 2017 in order to deliver on planned pilots. Total debtors increased by NOK 1.9 million in 2018 compared to 2017 following an increased activity and a higher governmental grant to be received.

9.2.3 Financial position at 31 December 2017 compared to 31 December 2016

As of 31 December 2017, Zwipe had a liquidity position of NOK 49.3 million following a private placement completed in December 2017 with a total share contribution of NOK 44.6 million. Total equity was NOK 38.6 million, up from NOK 9.3 million in 2016. Total liabilities were NOK 32.3 million, of which NOK 26.9 million in short-term interest-bearing debt. The latter relates to a long-term shareholder loan which was provided in 2016 but reclassified as short term interest bearing debt in 2017 following its maturity profile.

Total assets were NOK 71.3 million by year-end, up from NOK 37.6 million in 2016, following the private placement in December 2017. Inventory increased by NOK 1 million due to increased R&D and sales activity as the proof of concept Biometric Inlay was ready in H2 2017. Higher sales activity within access control increased the need for finished Access products on inventory. Accounts payables increased by NOK 2.3 million compared to year-end 2016 following outstanding payments due to advisors related to the private placement process.

9.2.4 Financial position at 31 December 2016 compared to 31 December 2015

By year-end 2016, cash and cash equivalents were NOK 19.3 million, down NOK 18 million from year-end 2015. Intangible assets related to R&D activities and IP at year-end 2016 increased by NOK 1.7 million compared to year-end 2015. Total assets were NOK 37.4 million by year-end 2016, down from NOK 49.3

million at year-end 2015. Investments in NRE were made at Zwipe's subcontractor facilities in order to build the first prototypes of the Biometric Inlay. This initiative also increased the investments made in raw materials and increased Inventory from NOK 0.7 million in 2015 to NOK 4.1 million in 2016. The Company made significant investments in its IP portfolio in 2017, which consisted of 46 patents at the end, of which 31 of the patents were filed in 2016.

Due to the negative result in 2016, total equity was NOK 8.3 million in year-end 2016, down from NOK 44.4 million in 2015. Long-term interest-bearing debt increased by NOK 22.7 million in year-end 2016 following the establishment of a shareholder loan.

9.3 Management's discussion and analysis of cash flow

9.3.1 General

The Group's main cash outflow in the past has been related to the cash outflow from the operating loss. Some, but insignificant, revenue has been earned from initial sale of Access Cards and Biometric Inlays and demo cards. Government support from Skattefunn has contributed to cash inflow.

When Zwipe reaches the commercial phase, the main cash inflows are expected to come from gross margin on sale of Biometric Inlays and integrated circuits and systems. Zwipe also plans to earn license fees and royalties on its IP from partners who integrates Zwipe Core Technology.

In addition to the Offering and the related equity issue, Zwipe may obtain smaller cash inflows from exercise of employee incentive stock options.

The main future cash outflows will be related to operating costs and cost of goods sold. The Group has no obligations to make any significant investment in tangible or intangible assets. Some investments in the inlay production line is expected.

No cash resources are restricted besides employees' withheld taxes.

There are no restrictions on transfer of funds either way between the parent company and its subsidiary, other than the conventional restrictions under relevant company law and accounting regulations in Norway and the U.S. There is no reason to expect that there will be any negative effect on the Group's or the parent company's business or financial situation in this respect. The Group does not foresee any hindrances to cross-border cash flows in its expected business.

9.3.2 Cash flow for the six months ended 30 June 2018

The operational cash flow was negative with NOK 30 million first half of 2018, following insignificant sales revenue and strong operational activity. The Company made investments in R&D development (ASIC) and its IP portfolio and some tools at the manufacturing line. The rights issue of NOK 20 million impacted cash flow positively, whereas a down payment of NOK 4.4 million on the shareholder loan had the opposite effect. Average monthly operational burn rate in H1 2018 was NOK 5 million.

After 30 June 2018, operations have continued as planned, with a somewhat higher monthly burn rate than in H1, with an average monthly cash deterioration of NOK 5.8 million as per 30 September 2018.

9.3.3 Cash flow for the year ended 31 December 2017 compared to 31 December 2016

The operational cash flow in 2017 was negative NOK 54.3 million, an increase in spending of NOK 12.3 million compared to 2016, mainly due to a continued increased staff and efforts to prepare the Company for

growth. R&D expenses increased with the initiation of the cost reduction program and development of a customized ASIC. The Company's capital expenditures were related to improving its production lines for the Biometric Inlay, payment demo cards and Access Cards. The investments included tooling, machines and NRE charges necessary to set up the production line for professional manufacturing of its products. The Company invested NOK 3.4 million in its IP portfolio with 12 patents filed in 2017. The Company carried out two fundraising processes during 2017 with NOK 82 million being raised.

9.3.4 Cash flow for the year ended 31 December 2016 compared to 31 December 2015

The operational cash flow in 2016 was negative with NOK 42 million, an increase in spending of NOK 22 million compared to 2015, mainly due to a doubling of the organization and operational activity related to continued optimization of the design of the Biometric Inlay. The Company invested NOK 4.8 million in its IP portfolio with 31 patents filed in 2016. Investments in NREs at its manufacturing subcontractor was also made in order to build the first prototypes of the Biometric Inlay in 2016 and for the build of access control cards in 2015. The Company had substantial cash outflows related to build up of inventory levels. The Company received financing related to the establishment of a shareholder loan of NOK 23.5 million during the year.

9.4 Investments

Investments by category (in TNOK)	Six months ended 30.06		Year ended 31.12		
	2018 (unaudited)	2017 (unaudited)	2017 (audited)	2016 (audited)	2015 (audited)
Property, plant and equipment*	329	2 533	2 586	959	353
Intangible assets**	3 600	2 347	3 434	4 768	2 428
Total investments	3 929	4 880	6 020	5 727	2 781

* Property, plant and equipment comprise building fixtures, office machines/equipment and NREs. Further description is provided in Chapter 9.4.1 below in the paragraph "Property plant and equipment".

** Intangible assets comprise investments in the IP portfolio and development projects. Further description is provided in Chapter 9.4.1 below in the paragraph "Intangible assets".

9.4.1 Historic investments

Property, plant and equipment

R&D activities related to development of the production line are viewed as investments and capitalized only when satisfying certain criteria. These investments are shown under property, plant and equipment and are typically NREs.

In 2016 and 2015, the investments were primarily equipment and tools for the R&D lab and some NRE charges related to the set-up of the Access Card production line.

In 2017, the Group increased its investments in property, plant and equipment. The investments were mainly related to preparing and improving its production lines for the Biometric Inlay, payment demo cards and ID cards. The investments of NOK 2.6 million included tooling, machines and NRE charges necessary to set up the production line for professional manufacturing of Zwipe's products, whereof the NRE charges accounted for NOK 2.3 of the total investments. The majority of these investments were made in H1 2017. Zwipe also invested NOK 0.3 million in a new R&D lab in Colorado Springs in H1 2017.

Intangible assets

In 2016 and 2015, investments in the development of R&D prototypes accounted for NOK 1.9 million and NOK 1.3 million of Intangible assets, respectively. The remaining investments are related to IP. IP protection is a strategic investment for the Company, with 6 patents filed in 2015, 31 in 2016 and 12 in 2017. In 2017, intangible assets only comprised investments in the IP portfolio. In 2018, the Company changed its accounting methodology with regards to patent costs, following the discovery of a potential new revenue stream, whereby Zwipec licenses specific patents. As the potential revenue stream from specific patents is unknown at the time of investment the costs related to the IP portfolio are expensed instead of capitalized. Previously the IP patent costs were capitalized at the time of investment and expensed over the expected lifetime of the related products as the patent was viewed as a strategic asset to protect its technology platform. With the new methodology the costs incurred after a patent has been licensed will be capitalized over the potential lifetime of the license. As of 30 June 2018, NOK 1.4 million were expensed, a cost which under previous years would have been considered an intangible investment. In H1 2018, Zwipec capitalized costs of NOK 1.9 million related to the ASIC development for the Generation NxT technology platform, under other intangible assets, as there is a clearly defined development project with a probable future economic benefit. The Company also invested NOK 1.7 million in the development of a customized product component.

In 2018 up until the date of this Prospectus, the Company has invested NOK 4.5 million (USD 534,000) in the development of the customized ASIC, whereof NOK 2.3 million (USD 269,000) were invested in the period from 30 June 2018 to the date of this Prospectus. In addition, NRE charges in the amount of NOK 1.7 million (USD 200 000) have been paid since 30 June 2018 related to the development project with a R&D partner to integrate and optimize solutions for the Biometric Inlay.

9.4.2 *Investments in progress*

The Group expects to complete the development of the customized ASIC in H2 2019 and will have investments in this project upon completion. At the date of this Prospectus, the estimated remaining investments related to the project is NOK 9 million (USD 1.1 million). The investments will be funded by existing liquidity and by the proceeds from the Horizon 2020 grant. Total IP expenses H1 2018 were NOK 1.4 million. The expenses related to IP in H2 2018 are expected to be somewhat higher resulting at the total expense for the year at approximately NOK 4 million.

The Company will continue to invest in its IP portfolio. These ongoing expenses will be funded by the proceeds from the Offering.

9.4.3 *Future estimated investments*

Except as described in Chapter 9.4.2, the Company does not have any specific capital expenditures committed or resolved. However, the Company will continue to invest in R&D, technology development, commercialization processes, market presence and partnerships. In order to prepare for the planned commercialization phase, the Group will also invest in operational expansion.

The development project of the customized ASIC is planned to be completed in Q4 2019. The Company has not yet planned any continued development of the ASIC after completion. Depending on market acceptance and adoption, further development of the ASIC may be required in order to stay ahead of the technological curve.

The Group's current set-up is otherwise, as regards infrastructure, production lines, suppliers, etc., largely sufficient to carry out and complete the full-scale deployment of the Biometric Payment Cards in accordance with the current plan, and no other significant ramp-up is required if the roll-out takes place in line with said plan.

Based on the current projections, the Company nevertheless expects to invest between USD 1.5 and 2.5 million overall. These projections are, however, estimates, and the Group's future investments will depend on, in particular, the success of the roll-out of the Biometric Payment Cards, and the size and timing of which depends on a number of variable factors, both internal and external, including, *inter alia*: total volume of orders; delivery time under the orders; allocation of costs between the Company's suppliers, the Company and its customers; and unit price. The said future estimated investments are planned to be funded by the proceeds from the Offering.

10 Liquidity and capital resources

10.1 Capitalization and indebtedness

10.1.1 Capitalization

The Group is funded by equity, shareholder loan, convertible loan, governmental loan, governmental grants and supplier credits. It does not have any debt to banks, financial institutions and have not issued any bonds.

Capitalization on 30 June 2018

Capitalization (in TNOK)	30 June 2018 (unaudited)
Total current debt and liabilities:	
Guaranteed	
Secured	22 040
Unguaranteed/Unsecured	6 258
Total non-current debt and liabilities:	
Guaranteed	
Secured	
Unguaranteed/Unsecured	663
Total indebtedness	28 962
Shareholders' equity	
Shareholders' equity	28 468
Share capital	943
Total Shareholder's equity	29 411
Total capitalization	58 373

The unsecured current debt, which comprises financial liabilities as reported in the balance sheet, consists of accounts payable, accrued expenses and similar working capital items. Other current debt relates to a purchase commitment to a key partner in a R&D development project and outstanding payment due for legal services.

There are no ongoing intercompany financial loan agreements in the Group at the date of this Prospectus.

A convertible loan of USD 3.5 million was granted by main Shareholder Photon Future Limited in 2015. The loan is secured by patent pledge and pledge in chattels. The loan was subscribed in 2016 for USD 2.8 million, corresponding to NOK 23.1 million, with 8% PIK (payment-in-kind) interest compounding annually. The loan agreement was amended both in 2017 and in 2018, related both to structure and terms. The shareholder loan was restructured in 2017 with one of the effects being removal of the equity conversion right. Of the loan, NOK 4.4 million was repaid in January 2018 and NOK 8.2 million was repaid in September 2018. The remaining loan matures on 31 January 2019 is booked under other short term liabilities.

Other non-current liabilities comprise loans granted by Innovation Norway of a total of NOK 2.5 million. The outstanding payment due is NOK 0.6 million. Innovation Norway has pledge in chattels.

Shareholders' equity was reduced by NOK 9.2 million during H1 2018, to NOK 20.4 million, mainly due to the fact that the Group operated at a loss, thereby increasing the uncovered losses. There were no employees exercising incentive subscription rights in H1 2018.

10.1.2 *Net financial indebtedness*

Net financial indebtedness on 30 June 2018

Net financial indebtedness (in TNOK)	30 June 2018 (unaudited)
(A) Cash	37 051
(B) Cash equivalents	-
(C) Trading securities	
(D) Liquidity (A)+(B)+(C)	37 051
(E) Current financial receivables	8 074
(F) Current bank debt	-
(G) Current portion of non-current debt	250
(H) Other current financial debt	22 040
(I) Current financial debt (F)+(G)+(H)	22 290
(J) Net current financial indebtedness (I)-(E)-(D)	22 835
(K) Non-current bank loans	-
(L) Debt securities issued and subordinated loan	-
(M) Other non-current loans	663
(N) Non-current financial indebtedness (K)+(L)+(M)	663
(O) Net financial indebtedness (J)+(N)	23 498

As per 30 June 2018, the Group had a gross positive cash position of NOK 37.9 million, including tax withholding. The cash position was reduced by NOK 11.4 million in the first six months of 2018, as the Company was operating at a cash loss and reduced its short-term liabilities, while the rights issue completed in May 2018 contributed positively to the cash flow. Operational cash outflow amounted to NOK 30 million while financing activities contributed with NOK 20 million in inflow.

The Group does not have any debt to banks or financial institutions, but a shareholder loan and a loan granted by Innovation Norway. A first tranche down payment of NOK 4.4 million on the shareholder loan was made in January 2018. Total outstanding shareholder loan as per 30 June 2018 was NOK 21.4 million. The Group's liabilities comprise accounts payables, accrued expenses and similar working capital items. Other current debt relates to a purchase commitment to a key partner in a R&D development project, which was entered into in H1 2018 and outstanding payment due for legal services.

Total off balance sheet obligations under long-term contracts at the release of this Prospectus amounts to approximately NOK 3.5 million.

10.1.3 *Material changes in capitalization and indebtedness since 30 June 2018*

On 20 September 2018, the Company received SEK 9.1 million (USD 1 million) in a convertible loan. The proceeds were used to repay USD 1 million on the shareholder loan, as agreed in the amendment agreement with Photon Future Limited.

10.1.4 *Loan maturity profile*

The Company has at the time of this prospectus incurred 3 types of loans; a shareholder loan (cf. chapter 13.6.1 The Kuang-Chi Convertible loan), a convertible loan (cf. Chapter 13.6.2) and loans granted by the Norwegian Government (Innovation Norway). The shareholder loan's final maturity date is 31 January 2019. At the time of this prospectus the Company has repaid USD 1.6 million on the shareholder loan. The interest on the convertible loan will be converted to equity, whereas the lender has the option to convert the loan amount. The convertible loan falls due 19 January 2019, but the Company has the option to extend the final maturity date by 2 months. The loans granted by Innovation Norway matures in June 2019 (NOK 100 000) and June 2020 (NOK 62 500).

The maturity profiles of these loans are shown in the table below.

Shareholder loan original loan amount (USD)	2 800 000
Outstanding amount 31 December 2017	3 098 258
Down payment H1 2018	568 160
Outstanding amount 30 June 2018 (incl. interest)	2 632 614
Down payment H2 2018	1 000 000
Outstanding amount 31 December 2018	1 747 747
Outstanding amount final maturity date 31 January 2019 (incl. interest)	1 759 382
Convertible loan original loan amount (SEK)	9 100 000
Outstanding amount 30 June 2018	
Outstanding amount 31 December 2018 (incl. interest)	9 733 790
Outstanding amount final maturity date 19 March 2019 (incl. interest)	10 248 078
Loans Innovation Norway original loan amount (NOK)	2 500 000
Outstanding amount 30 June 2018	700 000
Interest H2 2018	15 715
Down payment H2 2018	225 000
Outstanding amount 31 December 2018	475 000
Down payment 2019	350 000
Interest 2019	15 567
Down payment 2020	125 000
Interest 2020	2 203

The Company plans to use the proceeds from the Offering to pay down the loans, which falls due in Q1 2019.

10.2 Treasury and funding policy

The Group does not buy or issue financial instruments other than shares, warrants and subscription rights as resolved or authorized by the general meeting. The Group is funded by equity, loans, grants and supplier credits.

The American subsidiary has been funded by equity and through advances by the parent company covering the working capital needs and investments. The operating cost base is in NOK or USD. The revenue and COGS is in USD. Until the Group has achieved a business with recurring, predictable revenue streams, currency hedging will not be considered as the current currency risk is deemed fairly moderate.

The Group's cash is largely held in NOK based deposit accounts with DNB Bank ASA. The American subsidiary's cash is held in a reputable local bank.

Credit limits and payment terms for customers must be approved by the CFO.

Zwipe has no restrictions on application of its capital resources.

10.3 Working capital statement and future financing need

The Company does not currently have sufficient working capital (cash reserves and funding) for its present requirements. Without further measures, the Company's working capital is expected to run out at the end of January 2019. The Group expects to need approximately NOK 123 million to secure sufficient working capital for the period covering the twelve (12) months' period from the date of this Prospectus.

The calculation of approximately NOK 123 million in required working capital, is based on an assumption that the average monthly operational burn rate in 2019 will be approximately NOK 9 million, and that the remaining part of the Kuang-Chi Loan of NOK 14.3 million (approx. USD 1.8 million) is repaid at the end of January 2019. The Company has received written statement from Mr. Mattias Forslin that he, upon a successful capital raising at least in the total amount of NOK 25 million will convert to equity the whole convertible loan in the amount of SEK 9.1 million raised in September 2018 on the terms set forth in the loan agreement. Taking into consideration the NOK 90 million in pre-commitments as referred to in the next paragraph, Zwipe is confident that this condition will be met and that the SEK 9.1 million loan will be converted to equity. As such, the repayment of the convertible loan will not require any working capital.

The said capital need will be covered through a number of sources. Firstly, the Company expects to receive net proceeds in the Offering of approximately NOK 110.2 million, of which the Company has already received firm commitments for gross proceeds in the amount of NOK 90 million. Secondly, the Group has on 13 December 2018 received confirmation of a grant from the European Commission of approximately NOK 23 million, of which 50% is expected to be received in 2019. Thirdly, the Group expects to receive NOK 5 million in grant from the Norwegian Government (Skattefunn) in October 2019. Based on the said sources also including the Company's current funding of approximately NOK 8 million, the Company is confident to have sufficient working capital for the period covering at least twelve (12) months from the date of this Prospectus.

Taking into account that out of the NOK 123 million needed, approximately NOK 24 million will be covered by the Company's current funds, the EU grant and Skattefunn, approximately NOK 99 million remain to be covered through the Offering. Should the Company fail to raise net proceeds in the Offering exceeding NOK 99 million (of which gross proceeds of NOK 90 million is pre-committed), the Company will reduce the monthly burn rate during 2019 so as to ensure that the necessary working capital is sufficiently funded through the Offering and the said other sources. This will be done by postponing some

of the planned expansion of the organization and ramp-up of the operation, ref. next paragraph. This is not expected to create challenges for the Group, solely a somewhat extended period for the commercialization.

Due to the uncertainty with regards to the timing and speed of the commercial roll out of Biometric Payment Cards, it is difficult to assess the working capital requirement and future financing need of the Company in and, in particular, beyond the twelve (12) months' period following the date of this Prospectus. The timing and speed of the commercial roll out depends on a number of variable factors, both internal and external, including, *inter alia*: the timing of the certification (Letters of Approval) from Payment Schemes such as VISA and Mastercard, timing and volume of orders; delivery time under the orders (hereunder whether any of the following is required: expansion of the Group's organization; ramp-up of the Company's infrastructure, production lines etc.); allocation of costs between the Company's suppliers, the Company and its customers; and unit price.

The Company nonetheless expects, based on its growth strategy and planned commercialization, that operating expenses will continue to exceed revenues beyond the above 12 months' period.

11 EMV regulatory framework

Zwipe's Biometric Inlay is subject to very strict requirements related to certification of payment products for use under various payment scheme brands like Visa, Mastercard, China Union Pay, Interac or others (hereinafter a "**Payment Scheme**").

The Card Manufacturer must be a Payment Scheme certified Payment Card vendor or manufacturer and the products themselves must attain certification approval by such Payment Schemes prior to large scale commercial deployment. Prior to receiving such certification, commercial installations can be made, but in such cases under specific agreements/waivers with Payment Schemes. Once certification is achieved for the target products by the Payment Card Manufacturers, and the Payment Card Manufacturer receives a Letter of Approval (LOA), the Payment Card Manufacturer can deploy the products freely.

Zwipe is currently undergoing testing for the Biometric Inlay to comply with the relevant Payment Schemes' certification requirements for the Inlay. Zwipe plans for achieving certification compliance of the Biometric Inlay within H1 2019, enabling full card certification and commercial deployment of Payment Cards embedding Zwipe's Biometric Inlays thereafter. In order to make the Zwipe Biometric Inlay certification compliant, Zwipe is responsible for the certification of the Zwipe Biometric Engine's performance and security, the Inlay's power harvesting and contactless functionality in addition to some other requirement areas. In order to prove such compliances, Zwipe utilizes 3rd party certification test laboratories, recognized in the industry and relied upon by the Payment Schemes, to provide objective auditing of Zwipe Core Technology in reference to the specific requirements raised by the Payment Scheme (and in some cases the Payment Card vendor or manufacturer itself) to prove certification requirement compliance.

Such 3rd party auditing, embodied in reports on compliance results, is then submitted together with the Payment Card Manufacturer's requests for certification approval, to the various Payment Schemes, ultimately leading to the issuance of a LOA from such Payment Schemes to the Payment Card manufacturer for a specific Payment Card product, effectively allowing the manufacturer to commercially deploy the Payment Card product in scale.

At the point in time of this Prospectus, Zwipe is conducting certification requirement compliance tests with multiple 3rd party test laboratories, in close cooperation with the Payment Card Manufacturers seeking final card certification approval from the Payment Schemes.

As each Payment Card Manufacturer integrating Zwipe's Biometric Inlay in a Payment Card will need to conduct payment card certification processes in order to attain a LOA from the Payment Schemes, there will be multiple certification processes over the next years. In addition, future generations of the Biometric Inlay will also require new certification processes to be conducted in accordance with the certification processes described above.

12 Board, management, employees and corporate governance

12.1 Introduction

The Company's highest authority is the General Meeting of Shareholders. All Shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested in the Board of Directors and the Management. In accordance with the Companies Act, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with the Companies Act and instructions set out by the Board of Directors. Among other responsibilities, the Company's CEO is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must according to the Companies Act brief the Board of Directors about the Company's activities, financial position and operating results at least every four months.

12.2 The Board of Directors

12.2.1 Overview

The Company's articles of association (the "**Articles of Association**") provide that the Board of Directors shall consist of a minimum of two and a maximum of nine Directors. The Board of Directors is elected by the Company's Shareholders at the General Meeting.

The current Board of Directors consists of eight Directors, all of whom have been elected by the General Meeting.

The composition of the Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance, dated 30 October 2014 (the "**Corporate Governance Code**"), meaning that (i) the majority of the shareholder-elected board members are independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected board members are independent of the Company's main Shareholders (Shareholders holding more than 10% of the Shares in the Company), except that (iii) one member of the Management, Kim Kristian Humborstad, serves on the Board of Directors.

The Company's registered business address at Rådhusgata 24, N-0151 Oslo, Norway, serves as the business address for the Directors in relation to their directorship of the Company.

The following table sets forth, as at the date of this Prospectus, the Directors of Zwipe and the number of shares beneficially owned by each Director as of the date of this Prospectus.

Name	Position	Served since	Term expires
Jörgen Lantto	Chairman	2018*	2020
Kim Kristian Humborstad	Deputy chair	2018	2020
Lars Windfeldt	Director (Board member)	2011	2020
Weizi Huang	Director (Board member)	2015	2020
Espen Tøndel	Director (Board member)	2012	2020
Francis van den Bosch	Director (Board member)	2018	2020
Johan Biehl	Director (Board member)	2018	2020
Dennis Jones	Director (Board member)	2018	2020

* Mr. Lantto was elected as a Director in November 2016 and as Chairman at the Company's annual general meeting ("AGM") in May 2018.

12.2.2 *Brief biographies of the current members of the Board*

Set out below are brief biographies of the current members of the Board, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Director is or has been a member of the administrative, management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Jörgen Lantto, Chairman

Mr. Lantto works as an independent board member and advisor for quickly growing technology companies with global focus. In addition to being the Chairman of Zwipe, Mr. Lantto is also chairman of myFC Holding AB, a publicly traded company in Sweden. He most recently comes from Fingerprint Cards AB, where he was chief executive officer and managing director for nearly two years, and before that chief technology officer. Mr. Lantto also has extensive background in the Ericsson group, where he for example was executive vice president for ST-Ericsson. Mr. Lantto is a technical college graduate from Midskogsskolan in Luleå.

Current directorships and management positions:	Chairman of myFC Holding AB; board member of Bromma Tech Consulting AB; board member of Dirac Research AB; board member of Wirepas Oy; advisory board member Cambridge Mechatronics Ltd (2017-ongoing); advisory board member Intrinsic ID (2017-ongoing)
Previous directorships and management positions last five years:	Chief executive officer of Fingerprint Cards AB (2014-2016); board member Actiwave AB (2013-2015); board member of Anacatum Design AB (2014-2016); board member of Opalum AB (2013-2015);

Kim Kristian Humborstad, deputy chair and Chief Growth Officer

Mr. Humborstad is the founder of Zwipe and has been instrumental to the development of the Company and its business and technologies. From 2009 until the end of February 2018, Mr. Humborstad worked as Zwipe's chief executive officer. During Mr. Humborstad's tenure as Zwipe's chief executive officer, the Company entered into several multinational partnership agreements, filed approximately 50 patents, raised 22,5 mUSD and won numerous awards in the industry. From March 2018, he moved to the position as CGO (chief growth officer) in Zwipe, and at the AGM on 22 May 2018, he was appointed as deputy chair of the Board of Directors. Mr. Humborstad holds a Bachelor in Science (BS) in Innovation and Entrepreneurship from Telemark University College (Norwegian: "Høgskolen i Telemark") in Norway.

Current directorships and management positions: CGO and Deputy Chair of Zwipe; Chairman of Launch AS;
 Previous directorships and management positions last five years: CEO of Zwipe AS (2009-2018)

Dennis Jones, Director

Mr. Jones recently retired as the COO of TSYS Issuer Solutions, a U.S. based global payment processing company, and as chairman of Paysafe PLC, a U.K. based Financial Times Stock Exchange 250 Index global payments company (a position he held until December 2017). Mr. Jones has extensive experience in the FinTech, payments and payment processing sectors, having held executive and board roles a) in the United Kingdom as chairman of Mastercard UK Ltd and various executive roles with Royal Bank of Scotland (RBS) and National Westminster Bank (NatWest); and b) in the U.S. as a director, president and chief executive officer of RBS, as a non-executive director of Argus Information Services Inc., and as a non-executive director of Kroger Personal Finance. Mr. Jones has also worked in China as an executive director of the RBS / Bank of China credit card joint venture. He has a Bachelor of Science honours degree in Electrical and Electronic Engineering from the University of Northumbria in the United Kingdom in 1980.

Current directorships and management positions: Director of TMS Ltd
 Previous directorships and management positions last five years: Chairman of Paysafe PLC (2014-2017)

Lars F. Windfeldt

Mr. Windfeldt is the founder and chief executive officer of Winta Eiendom AS and Arcanum Eiendom AS, commercial real estate development firms focusing on office properties in Oslo. He has more than thirty years of experience in real estate development, technology investments and management of own funds. In 1997, Mr. Windfeldt co-founded Song Networks, a data and telecommunications operator, which was listed on the Nasdaq Stock Market in New York and the Stockholm Stock Exchange (Nasdaq Stockholm) in 2000. Mr. Windfeldt holds a Master of Business and Administration (MBA) from Harvard Business School and a Master in Science in Business and Administration (Norwegian: "*siviløkonom*") from the Norwegian School of Economics and Business Administration (Norwegian: "*Norges handelshøyskole*") in Bergen, Norway.

Current directorships and management positions: Chairman of Windfeldt AS; deputy board member of Windfeldt Next AS; chairman of Hanwin Holding AS; chairman of ØAV Bygg 4-5 AS; chairman of ØAV 86 AS; chairman of Winta Alnabru AS, chairman of NPJ AS; chairman of MPV7 AS; Managing director of Arcanum Eiendom AS; Managing director of Winta Eiendom AS.
 Previous directorships and management positions last five years: Chairman of ØAV 88 AS (2012-2014); Chairman of Isdalen AS (1990-2016); Chairman of Vika Utvikling AS (2011-2017)

Francis Van den Bosch, Director

Mr. Van den Bosch has enjoyed a distinguished 40-year career in financial services. He is now working primarily as a member of advisory boards and boards of directors of start-up companies in the field of technology for the retail banking and payments markets. Mr. Van den Bosch began his career at Citibank where he provided market research and planning expertise on branch network test market programs in Belgium and France. He moved to Citicorp to handle Diners Club Germany and went on to prepare the introduction of CITI-VISA to the German market. At Mastercard/Europay, Mr. van den Bosch led the

expansion into Central Eastern Europe and Russia before becoming the global CEO of the Maestro debit system (associated to the Cirrus ATM system). In the last decade, Mr. van den Bosch broadened his background from financial services to become chief executive officer of Management Centre Europe, an international consulting company focusing on management development and education for international companies, including banks. Mr. Van den Bosch has a Licentiate in Commercial and Financial Sciences degree from Lessius Handelshogeschool in Antwerp, Belgium.

Current directorships and management positions: Member of the Supervisory Board of DIMEBOX BV in Amsterdam; Member of the Advisory Board of YELLO SA in Paris; Advisor to FinSight VCs; Lead Associate for FinTech files at TD Shepherd BV

Previous directorships and management positions last five years: N/A

Johan Biehl, Director

Mr. Biehl is a private investor, who has devoted the past seven years to managing his personal investments. He is a board member and investment manager at Feat Invest AB since 2016. Mr. Biehl is focused on small and micro caps and has some ten investments in listed and unlisted companies in a variety of industries with a predominance in tech companies. Before going into the financial industry, he held various positions in business-to-business (B2B) sales and sales management. He has studied economics and business, and he holds a degree in finance from Stockholm University.

Current directorships and management positions: Board member and investment manager in Feat Invest AB; board member in Biehl Invest AB; board member in Skilled Monkey AB

Previous directorships and management positions last five years: Board member in Bostadsrättsföreningen Lövsångaren i Gävle (2013-2015)

Espen Tøndel, Director

Mr. Tøndel is a partner and lawyer at Advokatfirmaet Simonsen Vogt Wiig AS, a business law firm with offices in the largest cities in Norway and an office in Singapore. His main expertise is in the field of telecoms, IT, IPR and M&A. Mr. Tøndel is known for leading large project teams relating to procurement and transactional matters. He also advises start-ups within the tech sector with a special focus on FinTech. Mr. Tøndel is ranked as a leading lawyer by Chambers Europe within TMT (Technology Media Telecoms) and FinTech, by Legal500 and the Norwegian financial daily publication Finansavisen within the IT/telecoms area. Mr. Tøndel holds a master of law from the University of Oslo.

Current directorships and management positions: Board member of TeliaSonera Norway Nepal Holding AS; chairman of Quintilis AS

Previous directorships and management positions last five years: Board member of Eraseme International AS (2011-2015)

Weizi Huang, Director

Ms. Huang is a co-founder of Kuang-Chi Group, a privately owned diversified technology group based in China with commercial activities on a global scale. Kuang-Chi integrates the world's foremost technologies to provide commercial solution for smart cities, communications, material science and aerospace. Ms. Huang services as COO of KuangChi Science Ltd., a Hong Kong Exchange publicly listed affiliate of

Kuang-Chi. Based in Shenzhen, China, Ms. Huang is a specialist in photonic light technology. She holds a Master in Science (M.Sc.) from Duke University in North Carolina.

Current directorships and management positions: Executive director of Photon Future Ltd.
 Previous directorships and management positions last five years: Vice president of Kuang-Chi Group (2014-2016)

12.2.3 *Shares and options to acquire Shares held by Directors*

As at the date of this Prospectus, the Directors have the following shareholdings in the Company:

Name	Position	No. Of Shares	No. of outstanding options per 31 December 2018	No. of options related to directorship 2018-2019 ⁵⁾	Anticipated no. of options related to directorship 2019-2020 ⁸⁾
Jörgen Lantto	Chairman	180,000	10,000	40,000 ⁶⁾	40,000
Kim K. Humborstad	Deputy chair	849,298 ¹⁾	0	0 ⁷⁾	0
Dennis Jones	Director	0	0	20,000	20,000
Lars Windfeldt	Director	950,195 ²⁾	10,000	0	0
Francis van den Bosch	Director	0	2,500	20,000	20,000
Johan Biehl	Director	170,000 ³⁾	0	20,000	20,000
Espen Tøndel	Director	26,352	10,000	20,000	20,000
Weizi Huang	Director	0 ⁴⁾	0	0	0

¹⁾ Mr. Humborstad's shareholding in the Company is through his wholly-owned company Launch AS.

²⁾ Mr. Windfeldt's shareholding in the Company is spread through a number of companies, see Chapter 13.3 "Major Shareholders" for more information.

³⁾ Mr. Biehl is a member of the board of Feat Invest AB which holds 251,500 Shares in the Company.

⁴⁾ Ms. Weizi Huang does not own any Shares, whether directly or indirectly, in Zwipec; however, her husband, Mr. Ruopeng Liu indirectly owns 100% of the shares in Photon Future Ltd. and he therefore owns, also indirectly, 915,869 Shares in Zwipec.

⁵⁾ Each Director, other than Mr. Lantto (see below), Mr. Humborstad, Mr. Windfeldt and Ms. Huang have been granted 20,000 options (each entitling the holder to acquire 1 Share in the Company), the exercise of which is subject to the relevant Director continuing to serve as a Director until the annual General Meeting to be held in 2019.

⁶⁾ Mr. Lantto has been granted 40,000 options, the exercise of which is subject to the relevant Director continuing to serve as a Director until the annual General Meeting to be held in 2019.

⁷⁾ Mr. Humborstad has received options in his capacity as an employee of the Company. For further info on his option, please refer to Chapter 12.3.3.

⁸⁾ If a Director continues to serve as a Director in the period from the annual General Meeting in 2019 until the annual General Meeting in 2020, such Director will receive an additional 20,000 options, subject to approval by the annual General Meeting.

12.3 Management

12.3.1 Overview

The Management consists of six (6) individuals. The names of the members of the Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Position	Employed since
André Løvestam	CEO	2018
Kim Kristian Humborstad	CGO	2009*
Lisbeth Breum	CFO	2016
Orlando Martinez	COO	2016
Marcio Stervid	SVP Payment	2018
Ado Fazlic	VP Marketing	2016

* From 2009 to 2018, Kim Kr. Humborstad was Zwipe's CEO.

12.3.2 *Brief biographies of the members of the Management*

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

André Løvestam, CEO

Prior to joining Zwipe, Mr. Løvestam's career comprises several chief executive officer and other executive positions at publicly listed Nordic information and communication technology (ICT) and fast-moving consumer goods (FMCG) companies. From 1989 to 2000, he worked in the Orkla Group, where he spent the years from 1989 to 1994 in various marketing positions and from 1994 to 1997 as sales director at Orkla ASA's subsidiary Lilleborg, before proceeding to chief executive officer of Orkla ASA's subsidiary Sætre AS from 1997 to 2000. Mr. Løvestam was then recruited to the TOMRA Group in 2000 and was the chief executive officer of Tomra Europe AS from 2002 through 2005. From 2006 to 2018, he held chief executive officer and senior executive positions in ICT companies such as Telecomputing ASA, Atea ASA and, lastly, as head of Asia Pacific at The Future Group AS. Mr. Løvestam holds a Bachelor of Science (B.Sc.) (Hons) from the University of Manchester Institute of Science and Technology.

Current directorships and management positions:	CEO, Zwipe AS; COB Share Your Business Sweden AB
Previous directorships and management positions last five years:	Head of APAC, The Future Group AS; CEO Kjedehuset AS; COB m-Care AS (now Conmodo AS); COB Telefast AS; COB TeleNordic AS; COB My Beat AB; COB Our Beat Ventures AB

Kim Kr. Humborstad, CGO (chief growth officer)

Please see Chapter 0 "

* Mr. Lantto was elected as a Director in November 2016 and as Chairman at the Company's annual general meeting ("AGM") in May 2018.

Brief biographies of the current members of the Board" above for further information on Mr. Humborstad.

Lisbeth Breum, CFO

Ms. Breum has broad experience in finance, including mergers and acquisitions (M&A). Prior to joining Zwipe in 2016, Ms. Breum worked as a manager of investor relations and as an investment associate at the private equity fund Herkules Capital (4.5 years) and as a senior analyst with Danske Bank's acquisition and

leveraged finance team (6 years). She holds a Master in Science (M.Sc.) of Economics and Business Administration from Toulouse School of Economics, and is a Certified European Financial Analyst.

Orlando Martinez, COO

Mr. Martinez has extensive background in bringing innovative biometric technology to market and driving international business expansion and organizational development. Mr. Martinez has previously founded a biometric technology company that provided innovative solutions for government Defence and Intelligence organizations across the globe. This company was later acquired by L-1 Identity Solutions, a public stock listed corporation. Mr. Martinez holds a Bachelor of Arts (B.A.) in Business and Computer Science from Fort Lewis College.

Current directorships and management positions: COO Zwipe

Previous directorships and management positions last five years: Board of Directors Member – Zadats Inc. (2015 – 2018); SVP of Business Development – Snarf Networks (April 2015 – December 2016); Director, Applied Technology & Cyber Solutions – CGI Federal (June 2011 – April 2015)

Marcio Stervid, SVP Payment

Mr. Stervid has over 28 years of experience successfully working at senior positions in companies such as 3M, Bank of America, Gemalto, Verifone, AltaPay and now Zwipe. For the last 18+ years, Stervid has been involved with the payment industry covering different aspects of its ecosystem such as issuing, acquiring, transaction processing (payment gateway) and a variety of omnichannel services and advanced solutions. Stervid holds an MBA from Alliance Manchester Business School in the UK, as well as two other degrees from universities in Brazil (BA Systems Analysis/MA Business Administration).

Current directorships and management positions: Director at PX Innovation Consulting Ltd

Previous directorships and management positions last five years: Head of Strategic Partnerships at AltaPay; Head of Financial Services and Strategic Channels at Verifone UK and Ireland; Business Development Director at Apptivation; Head of Business Development and Sales at Gemalto UKBENEI (UK, Belgium, Netherlands and Ireland)

Ado Fazlic, VP Marketing

Mr. Fazlic has over over 10 years of diverse experience working in a wide range of business development and marketing functions throughout Europe and the United States, working in both the public and private sector. He has a Master of Business Administration (MBA) and a Master of Science (M.Sc.) in Economics from the University of Sarajevo.

Current directorships and management positions:

Previous directorships and management positions last five years:

12.3.3 *Shares held by the members of Management*

As of the date of this Prospectus, the members of Management have the following shareholdings in the Company:

Name	Position	No. of Shares	No. of options
André Løvestam	CEO	140,000*	440,000
Kim Kr. Humborstad	CGO	849,298**	92,000
Lisbeth Breum	CFO	25,200***	60,000
Orlando Martinez	COO	0	60,000
Marcio Stervid	SVP Payment	0	60,000
Ado Fazlic	VP Marketing	0	20,000

* Mr. Løvestam's shares are held through the company Energetic AS where he owns 50% of the shares.

** Mr. Humborstad's shares are held through his wholly-owned company Launch AS.

*** Ms. Breum's shares are held through her wholly-owned company Croissance AS.

12.4 **Board sub-committees**

The Board sub-committees, which include the Compensation Committee, the Nomination Committee and the Capital Markets Committee, are appointed by the Board under respective terms of reference that specify their authorities, duties, reporting responsibilities and reporting procedures.

12.4.1 *The Compensation Committee*

The Board has appointed a compensation committee (the "**Compensation Committee**") consisting of two members elected by and among the Board.

The Compensation Committee currently consists of Jörgen Lantto and Espen Tøndel.

The Compensation Committee's duties are (i) to propose remuneration of the CEO and approve remuneration of Management, and (ii) to develop the Company's share-based incentive program, which was revised in November 2018, ref. Chapter 13.4.2.

12.4.2 *The Nomination Committee*

The Board has appointed a nomination committee (the "**Nomination Committee**") consisting of two members elected by the Board.

The Compensation Committee currently consists of two independent members: Magnus Berner and Paal Raaholt (both of whom are Shareholders in the Company).

The Nomination Committee's duties are to propose to the General Meeting candidates for election to the Board and propose remuneration of the members of the Board to the General Meeting.

Each member of the Nomination Committee received 20,000 options to acquire Shares at NOK 25 (each option entitled the holder to acquire one Share) in connection with the election of the new Board at the AGM.

12.4.3 *The Capital Markets Committee*

The Board has appointed a capital markets committee (the "**Capital Markets Committee**") consisting of four members elected by and among the Board.

The Capital Markets Committee currently consists of Lars Windfeldt, Johan Biehl, Jörgen Lantto and Dennis Jones.

The Capital Markets Committee focuses on analyzing the Company's financial situation and on preparing recommendations to the Board regarding fund raising and capital market activities. The Capital Markets Committee works closely with the CEO and CFO and assists the Company in reviewing and formulating its financing strategy.

12.4.4 *Audit Committee*

The Company does not have a formal audit committee overseeing financial reporting and disclosure, but will establish such a committee when deemed necessary.

12.5 **Remuneration and benefits**

12.5.1 *Remuneration of the Directors*

The table below sets out the total remuneration paid to the Directors in 2017:

Name	Position (in 2017)	Cash compensation	Options to acquire Shares
Clas Thelin	Chairman	124,227	63,708
Ruopeng Liu	Director	-	-
Jörgen Lantto	Director	-	115,712
Lars Windfeldt	Director	-	115,125
Carl-Fredrik Grøslund	Director	-	61,301
Weizi Huang	Director	-	-
Espen Tøndel	Director	-	115,078

12.5.2 *Remuneration of the Management*

The table below sets out the total remuneration paid to the top five highest paid members of the Management in 2017:

Name	Position (in 2017)	Salary	Other benefits***	Pension expenses	Share-based remuneration	Total compensation
Pascal Dufour*	SVP Payment	1,399,890	Included in salary	Included in salary	59,350	1,459,240
Orlando Martinez	COO	1,198,014	Included in salary	Included in salary	71,283	1,269,297
Kim Humboirstad	CEO	1,010,494	4,437	18,148	171,079	1,204,158
Lisbeth Breum	CFO	1,040,000	4,446	20,800	43,698	1,108,944
Einar Boije**	SVP Access Control and Marketing	816,667	4,451	16,333	78,479	915,930

* Pascal Dufour resigned as SVP Payment in May 2018 and was replaced by Gilles Roux.

** Einar Boije resigned as SVP Access Control and Marketing in March 2018 and was replaced by Ado Fazlic.

*** Other benefits include telephone, internet etc.

12.6 Benefits upon termination

No members of the Board or employees including members of the Management are entitled to benefits (*e.g.* severance pay) upon termination of employment in the Company.

12.7 Pensions and retirement benefits

Zwipe AS provides a fully insured defined contribution scheme (Norwegian: *obligatorisk tjenstepensjon*) for all its employees. The scheme satisfies the mandatory service pension in Norway. The contribution is two per cent of the employee's annual salary between 2G and 12G. G is the basic amount in the Norwegian social security system, amounting to NOK 96 883 in 2018. The pension scheme is a fully insured, defined contribution plan.

Employees of Zwipe America Inc. are offered coverage in an insured health plan comprising health coverage, dental coverage and vision coverage. Zwipe covers 100% of the monthly premium. Zwipe America Inc. does not offer any pension plan.

12.8 Loans and guarantees to the members of the Management

Zwipe has issued loans in favour of two members of the management team. The purpose of the loans was to finance purchase of shares in Zwipe. The total outstanding amount to employees is NOK 702,000. The loans carry an interest equal to the "normrente" for loans to employees as applicable from time to time (currently 2.2%).

The loans are deemed to be compliant with Section 8-10 of the Companies Act and are approved by the Company's auditor.

12.9 Conflict of interests and independence of the Board

As deputy chair of the Board, Mr. Humborstad is a non-independent board member.

Mr. Tøndel acts as the Company's attorney on certain matters (such as contractual matters, intellectual property related matters etc.), and the firm at which Mr. Tøndel works – Simonsen Vogt Wiig – has since the Company's incorporation provided legal services to the Company.

Other than this, to the Company's knowledge, there are currently no actual or potential conflicts of interest between the Group and the private interests or other duties of any of the Directors or members of the Management.

No Director has been appointed by and among the Company's employees.

12.10 Convictions for fraudulent offences, bankruptcy etc.

None of the Directors or members of the Management have during the last five years preceding the date of this Prospectus:

- Been accused or charged with convictions related to indictable offences or fraudulent offences;
- Received any official public incrimination and/or sanction by any statutory or regulatory authority (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or

- Been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

12.11 Employees

As of the date of this Prospectus, the Group has a total of 32 employees including contractors. The table below sets forth the respective disciplinary groups that these employees belong to:

Disciplinary group	Number of employees End of 2018	Number of employees End of 2017	Number of employees End of 2016	Number of employees End of 2015
Administration and finance	5	4	3	2
Technology, research and development	14	14	11	3
Sales and marketing	7	5	6	5
Supply chain	3	4	3	2
Products	1	1	1	0
IP	1	1	2	2
Total	31	29	26	14

Eight of the 32 employees are based at the Company's head office located in Oslo, Norway, whilst 20 employees are based in the United States. Two consultants are based in the UK, one in Italy and one in France.

13 Share capital and Shareholder matters

The following is a summary of certain corporate information and material information related to the Shares and Zwipe's share capital and certain other Shareholder matters, including summaries of certain provisions of the Articles of Association and Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Articles of Association and Norwegian law.

13.1 Corporate information

The Company's registered name is Zwipe AS, and its trading name is Zwipe.

The Company is a private limited liability company organized and existing under the laws of Norway pursuant to the Companies Act.

The Company's registered office is at Rådhusgata 24, NO-0151 Oslo (in the municipality of Oslo), Norway.

The Company was incorporated on 8 September 2009 as a private limited liability company.

The Company's business register number is 994 553 607.

13.2 Shares, share capital and share capital history

As at the date of this Prospectus, the Company's share capital is NOK 942,566.20, divided into 9,425,662 Shares with each Share having a nominal value of NOK 0.10. The Shares have been created, and the Offer Shares will be created, under the Companies Act and are validly issued and fully paid.

The Shares in the Company are registered, and the Offer Shares will be registered, in book-entry form with the VPS under International Securities Identification Number (ISIN) NO0010721277, and the register of Shareholders in the VPS is administrated by DNB Verdipapirservice.

The Company has one class of shares, each Share carrying equal shareholder rights, including one voting right at the General Meeting.

Neither Zwipe nor Zwipe America Inc. directly or indirectly owns Shares.

The table below shows the development in the Company's share capital for the period from 1 January 2015 to the date hereof:

Date of resolution	Type of change	Change in share capital (NOK)	Subscription price (NOK)	Number of new Shares	New share capital (NOK)
28.01.2015	Capital increase (debt conversion)	333.30	30.00	3,333	356,509.60
28.01.2015	Capital increase (exercise by employees of options to acquire shares)	915.80	17.50	9,158	357,425.40
12.08.2015	Capital increase (exercise by employees of options to acquire shares)	6,216.40	Range: 0.10-30	62,164	363,641.80
02.10.2015	Capital increase (private placement towards Kuang-Chi)	91,586.90	45.0621	915,869	455,228.70
24.05.2016	Capital increase (exercise by employees of options to acquire shares)	1,795.10	Range: 30-45	17,951	457,023.80

16.08.2016	Capital increase (exercise by employees of options to acquire shares)	101.90	17.50	1,019	457,125.70
02.02.2017	Capital increase (private placement)	62,128.30	60.00	621,283	519,254.00
25.05.2017	Capital increase (exercise by employees of options to acquire shares)	301.70	Range: 17.50-45	3,017	519,555.70
07.12.2017	Capital increase (private placement)	223,010.50	20.00	2,230,105	742,566.20
22.05.2018	Capital increase (rights issue)	200,000.00	10.00	2,000,000	942,566.20

13.3 Major Shareholders

The table below shows the twenty (20) largest Shareholders of the Company as per 4 January 2019:

Top 20 Shareholders	Number of Shares	% of shares
Lars Windfeldt (Board member)*	950 195	10,1 %
Photon Future Limited (Kuang-Chi)	915 869	9,7 %
Launch AS (founder Kim Humborstad)	849 298	9,0 %
Concito as	535 610	5,7 %
Telecom AS	290 000	3,1 %
Feat Invest AB	251 500	2,7 %
Altitude Capital AS	250 000	2,7 %
Prog Seed AS	241 338	2,6 %
MP Pensjon PK	208 000	2,2 %
Advisum AS	190 876	2,0 %
Jörgen Lantto (Chairman of the Board)	180 000	1,9 %
Johan Biehl (Board member)	170 000	1,8 %
John Bäck	164 361	1,7 %
Patri Invest & Trading AS	151 000	1,6 %
Prinvest AS	150 579	1,6 %
Edale Capital	150 000	1,6 %
Energetic AS (CEO)	140 000	1,5 %
LJM AS	128 666	1,4 %
Patrick Bergström	115 000	1,2 %
Langebru AS	111 696	1,2 %
Total top 20 Shareholders	6 143 988	65 %

The list has been prepared by the Company using due care based on information extracted from the VPS, but the Company takes no responsibility for the correctness of the information in the list.

* Lars Windfeldt owns shares through various companies and is also represented by family members:

Lars Windfeldt's shareholdings	Number of shares	Percentage of shares
Arcanum Eiendom AS	486 667	5.2%
Arcanum AS	225 676	2.4%
Winta Investments Holding AS	109 000	1.2%
Windfeldt Next AS	50 000	0.5%
Windfeldt Invest AS	47 250	0.5%

Lars Fredrik Windfeldt	36 102	0.4%
Total	954 695	10.1%

13.4 Share-based incentive programs and authorization to issue new Shares

13.4.1 Authorization to issue new Shares

At the AGM on 22 May 2018, the Board of Directors was granted an authorization to increase the share capital.

The authorization allows for increases of the share capital of up to NOK 111,384.90 (see item 2 of the resolution), corresponding to 15% of Zwipe's share capital prior to the completion of the rights issue resolved at the AGM. Following completion of said rights issue where 2 million new Shares were issued, the authorization corresponds to 11.82% of the current share capital.

The Board of Directors may not use the mandate to issue new Shares to other than (i) the Group's employees, (ii) the members of the Board of Directors or other corporate bodies or (iii) other key persons of Zwipe, in accordance with share-based incentive programs (see item 4 of the resolution). According to the terms of the authorization, the Board of Directors may set aside the preferential rights of the Shareholders to subscribe to new Shares pursuant to Section 10-4 of the Companies Act (see item 3 and 5 of the resolution).

The authorization is valid until the second anniversary of the date of the AGM, being 22 May 2020.

The mandate to increase the share capital reads as follows:

"This authorisation replaces all former authorisations granted to the board of Zwipe AS to increase the company's share capital by issue of new shares.

The share capital of Zwipe AS may be increased with up to NOK 111,384.90 on one or several occasions.

The mandate may be used to issue shares to (i) employees, (ii) members of the board of directors of Zwipe AS or other corporate bodies and (iii) other key persons of Zwipe AS in accordance with incentive schemes, provided that such schemes are approved by Zwipe AS' board of directors.

Upon determination of the subscription price for shares that are issued subject to this authorisation, the board shall use as reference the subscription price of the latest capital raise by share issue in the Company prior to the issuance of the relevant options. However, the subscription price applicable for members of Zwipe AS' board shall not be lower than NOK 25 pr. share.

The authorisation shall remain in force until the second anniversary of it being granted by the general meeting.

The pre-emptive right of the shareholders to subscribe to shares can be set aside.

The mandate covers capital increases in exchange for non-cash payment or a right to charge the company with special obligations pursuant to Section 10-2 of the Private Limited Liability Companies Act.

The mandate does not cover merger decisions according to Section 13-5 of the Private Limited Liability Companies Act."

13.4.2 *Share-based incentive programs*

In November 2018, the Board, following the recommendation of the Compensation Committee, resolved to introduce a new program for the Group's employees (the "**New SIP**") as replacement of the former share-based incentive program.

The New SIP is based on the authorization that was granted to the Board by the Company's Shareholders at the AGM held on 22 May 2018 (see Chapter 13.4.1 "Authorization to issue new Shares"), and applies to both the members of the Board of Directors and the Group's employees etc. The size and key terms of the New SIP are described below in Chapter 13.4.2.2.

The New SIP was implemented on 30 November 2018 with a total of 1,149,500 options to acquire Shares.

13.4.2.1 Share-based incentive programs for the members of the Board of Directors

Under the New SIP, the Directors shall receive the following options to acquire Shares in Zwipe:

- a) The Chairman: 40,000 options per one-year term, entitling the Chairman to acquire one (1) new share in Zwipe for each (1) option.
- b) Each Director: 20,000 options per one-year term, entitling the relevant Director to acquire one (1) new share in Zwipe for each (1) option.

The options were granted in respect of the performance of the Directors until the annual general meeting in 2019, and the price payable per share is NOK 25 upon exercise of an option. The options granted per one-year term vest in two portions, with one portion per six months.

The following Directors were not allocated options connected to their directorships in Zwipe:

- Kim Kristian Humborstad as he is part of the share-based incentive program for the Company's employees; and
- Lars Windfeldt and Weizi Huang as they represent Shareholders with substantial shareholdings in the Company.

In sum, the Directors hold in total 312,500 options to acquire Shares at a strike price of NOK 25 per Share under the New SIP. For further information on the Shares and options to acquire new shares of the Directors, please refer to Chapter 12.2.3 "Shares and options to acquire Shares held by Directors".

13.4.2.2 Share-based incentive program for the Group's employees etc.

At the implementation of the New SIP on 30 November 2018, the Board, following the recommendation of the Compensation Committee, resolved to replace the former share-based incentive program with a program for the Group's employees etc.

The New SIP is based on the authorization that was granted to the Board by the Company's Shareholders at the AGM held on 22 May 2018 (see Chapter 13.5.1 "Authorization to issue new Shares"), and the size and key terms of the New SIP are described below in this Chapter 13.5.3.

For practical purposes, the New SIP will be implemented with effect from 30 November 2018, and such implementation involves:

- First, all the options that had not vested as at 30 November 2018 under the former share-based incentive program, was terminated from such date by replacement of new options under the New SIP (including the options that would otherwise have vested upon the completion of the Listing).
- Second, the strike price of the options that had vested as at 30 November 2018 under the former share-based incentive program, being 332,509 options, is reduced to NOK 10 which equals the subscription price in the NOK 20 million rights issue completed in May 2018.

Under the New SIP, the Group's employees etc. hold 837,000 options to acquire Shares in Zwipe on the following conditions:

- The options not already vested are subject to a vesting period of three years with one-sixth of the options vesting every six months from 1 January 2019. Vesting requires that the relevant member of the management is and remains employed by the Company during the relevant six months period.
- Each option that has vested in accordance with the above, entitles the holder to acquire one (1) new share in the Company at a strike price of NOK 10, which strike price is based on the subscription price in the NOK 20 million rights issue completed in June 2018.
- The options granted under the New SIP may become subject to an accelerated vesting if a trigger event occurs. Such trigger events include: (i) the sale or other disposition of all or substantially all of the Company's assets, property or business, (ii) a transfer of more than 50% of the shares in the Company to one or more third parties acting in concert (in one or several related transactions), or (iii) a merger or other combination of the Company with another company resulting in the stockholders of the Company immediately after the merger or combination, holding less than 50% of the stock of the surviving entity.
- The options are personal, and the holder may not sell or otherwise transfer the options.

13.5 Authorization to acquire treasury Shares

The Board of Directors has been granted authorization to repurchase the Company's own Shares within a total nominal value of NOK 37,128, corresponding to 5% of the Company's share capital prior to the completion of the rights issue resolved at the AGM in 2018.

The authorization may be used only in connection with the acquisition and transfers of Shares to (i) employees, (ii) members of the Board of Directors or other corporate bodies and (iii) other key persons of Zwipe, in accordance with share-based incentive programs.

The authorization is valid until the second anniversary of the AGM in 2018, being 22 May 2020.

The mandate to repurchase the Company's own shares reads as follows:

"This authorisation replaces all former authorisations granted to the board of Zwipe AS to acquire treasury shares (own shares).

Zwipe AS may, on one or more occasions, acquire shares with a total nominal value of up to NOK 37,128 on one or several occasions.

The amount paid for the shares purchased must be a minimum of NOK 0.1.

The board may use the authorisation in connection with acquisitions and transfers of shares to (i) employees, (ii) members of the board of directors of Zwipe AS or other corporate bodies and (iii) other key persons of Zwipe AS in accordance with incentive schemes, provided that such schemes are approved by Zwipe AS' board of directors.

The board has a free choice of the methods to be used in acquiring or disposing of shares, including the terms and conditions of such acquisitions and disposals, within the framework which follow from item 4 immediately above.

The authorisation shall remain in force until the second anniversary of it being granted by the general meeting and the date of such general meeting."

13.6 Convertible loans

Save for the convertible loan described above in this Chapter, the Company has not issued any loan convertible into Shares in the Company.

13.6.1 The Kuang-Chi Loan (conversion rights waived)

On 21 September 2015, the Company as the borrower and Kuang-Chi as the lender, entered into a convertible loan agreement with a principal loan amount of up to USD 3.5 million / NOK 29 million (the "**Kuang-Chi Loan**"). Under the Kuang-Chi Loan agreement, Kuang-Chi was entitled, subject to certain terms and restrictions, to convert the principal amount and any amount outstanding thereunder into new shares in the Company (the "**Kuang-Chi Conversion Right**").

According to an addendum dated 12 May 2016 to the Kuang-Chi Loan Agreement, Kuang-Chi disbursed the loan (in the principal amount of USD 2,800,000) to the Company in four equal tranches.

In September 2017, the Company, Photon Future and Kuang-Chi Science Ltd entered into a 2nd addendum to the Kuang-Chi Loan. Pursuant to this 2nd addendum, Kuang-Chi waived the Kuang-Chi Conversion Rights and, thenceforth, Kuang-Chi has no right to convert any part of the Kuang-Chi Loan into new Shares in the Company.

In September 2018, the Company, Kuang-Chi and Kuang-Chi Science Ltd entered into a 3rd addendum to the Kuang-Chi Loan. This 3rd addendum sets out a new repayment schedule according to which USD 1 million was repaid in September 2018, whilst the remaining outstanding amount of the Kuang-Chi Loan is repayable at the latest in January 2019.

13.6.2 Convertible loan raised by the Company in September 2018 (conversion rights intact)

On the Company's extraordinary General Meeting held on 19 September 2018, the Company as the borrower entered into a convertible loan agreement with Mr. Mattias Forslin, a Swedish private investor, with a principal loan amount of SEK 9.1 million, the principal of which shall be used to repay the first tranche of USD 1 million under the Kuang-Chi Loan.

Interest shall accrue on the outstanding amount of this SEK 9.1 million convertible loan at an interest rate of 2.00% per month. The interest accumulates and is added to the outstanding amount each calendar month.

The lender's right (and obligation) to convert all or part of the outstanding amount of the loan is as follows:

- The lender has the right and an obligation to convert accumulated interest in connection with a Share issue in the Company with proceeds in excess of NOK 25 million (e.g. the Offering). In such event, the conversion price shall equal the subscription price in the relevant Share issue less 10%.
- In this first scenario, the lender has the right to request that the entire outstanding amount (principal and accrued interest) shall be converted on the same terms. This right has to be exercised no later than one month prior to the maturity date of the SEK 9.1 million convertible loan, which is in January 2019 (unless the Company extends the maturity date by an additional two months, which the Company may at its discretion).
- In the second scenario, if the Company, during the term of the loan, does not carry out a Share issue of more than NOK 25 million, the lender is obligated to convert accumulated interest at a subscription price of NOK 10 per Share. In this event, the lender also has the right to convert the principal at the same subscription price. If the lender wishes to exercise this right, it must notify the Company no later than one month before the loan's maturity.
- If the Company, during the term of the loan, carries out a share issue at a subscription price lower than NOK 10 per Share, neither the Company nor the lender has any right to demand that the loan or accumulated interest shall be converted.
- In the second conversion scenario described above, a maximum number of 936,069 Shares may potentially be issued by the Company to the lender. This is based on the principal amount and the maximum six months accrued interest being converted at a conversion rate of NOK 10 per Share at exchange rate NOK/SEK 1.0948.

13.7 Other financial instruments related to Shares

13.7.1 *Mastercard's freestanding subscription rights will lapse upon commencement of the Offering*

In July 2015, Zwipe and Mastercard International Inc. ("**Mastercard**") entered into an investment right agreement (the "**Mastercard Investment Right Agreement**") at the same time as they entered into a master supplier agreement.

The Mastercard Investment Agreement entitles Mastercard to subscribe to shares in Zwipe corresponding to 25% of the issued shares in a capital raise involving the issue of new shares, on the same terms as the investors in the capital raise. Such right would have to be exercised within 90 days of Zwipe's notification to Mastercard of its completion of a capital raise (which notification Zwipe is required to send to Mastercard).

The maximum number of shares Mastercard may require Zwipe to issue under the Mastercard Investment Right Agreement, subject to the terms thereof, is 1,250,000 new shares.

In anticipation of Mastercard's potential exercise of its rights under the Mastercard Investment Right Agreement, and as agreed thereunder, Zwipe issued 1,250,000 freestanding subscription rights in favor of Mastercard.

Mastercard's rights under the Mastercard Investment Right Agreement will however terminate upon an initial public offering, and the Offering constitutes an initial public offering in accordance with the Mastercard Investment Right Agreement. Once the Offering commences, the Mastercard Investment Right Agreement will automatically terminate, and Mastercard will thenceforth have no right to demand that Zwipe issues any new shares thereunder.

13.7.2 *Other*

Other than set out above, Zwipe has not issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for or acquire any Shares.

13.8 **Shareholder rights**

The Company has one class of Shares in issue and, in accordance with the Companies Act, all Shares provide equal rights in the Company, including the right to one vote per Share and equal right to any dividends.

The rights attaching to the Shares are described in Chapter 13.10 "The Articles of Association and certain aspect of Norwegian law".

13.9 **The Articles of Association and certain aspect of Norwegian law**

13.9.1 *The Articles of Association*

The Articles of Association are set out in Chapter 20 "Appendix - Articles of association" to this Prospectus. Below is a summary of the provisions of the Articles of Association.

Object of the Company

The object of the Company is to develop solutions that provide secure, fast and simple identification of persons by means of biometric (fingerprint) technology. The solutions may be used on various hardware platforms, such as cards, phones, computers or any other equipment where the solutions may be implemented. The Company may develop new solutions and will take part in investment, consulting and development activities as well as other activities within relevant markets.

Registered office

The Company's registered office is in the municipality of Oslo, Norway.

Share capital and nominal value

The Company's share capital is NOK 942,566.20, divided into 9,425,662 Shares, each Share with a nominal value of NOK 0.10. The Shares are registered with the Norwegian Central Securities Depository (VPS).

Board of Directors

The Board of Directors shall consist of a minimum of two and a maximum of nine Directors.

Authorization to sign on the Company's behalf and procuration

The Chairman and the CEO are severally (and not jointly) authorized to sign on the Company's behalf.

The Board of Directors may grant powers of procuration; however, no such power of procuration has been granted by the Board of Directors at the date of this Prospectus.

The General Meetings

In accordance with the Articles of Association, the AGM is required to be held each year by the end of June.

Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, and stipulate that Shares are freely transferrable. Share transfers are not subject to the approval by the Board of Directors.

Electronic communication with the Shareholders

Documents relating to matters to be dealt with by the General Meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the Shareholders if such documents have been made available on the Company's website. A Shareholder may nevertheless request that documents which relate to matters to be dealt with at the General Meeting are sent to him/her.

13.9.2 Certain aspects of Norwegian corporate law

General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian private limited liability company (Norwegian: *aksjeselskap*). The Companies Act requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than seven (7) days before the general meeting of a Norwegian private limited liability company shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at its own discretion. Although the Companies Act does not require the Company to send proxy forms to its shareholders for general meetings, the Company has included, and plan to continue to include, a proxy form with notices of General Meetings. All Shareholders who are registered in the register of Shareholders maintained with the VPS as of the date of the General Meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at General Meetings, without any requirement of pre-registration.

Apart from the AGM, EGMs may be held if the Board of Directors considers it necessary. An EGM must also be convened if, in order to discuss a specific matter, the auditor or Shareholders representing at least 10% of the share capital demands this in writing. The requirements for notice and admission to the AGM also apply to EGMs.

Voting rights – amendments to the Articles of Association

Each of the Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the company's articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under the Companies Act, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the company, to approve a merger or demerger of the company, to amend the articles of association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants by the company or to authorize the

board of directors to purchase shares and hold them as treasury shares or to dissolve the company, must receive the approval of at least two thirds of the aggregate number of votes cast as well as at least two thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the shares, require that at least 90% of the share capital represented at the general meeting in question vote in favor of the resolution, as well as the majority required for amending the articles of association.

In general, in order to be entitled to vote, a shareholder must be registered as the beneficial owner of shares in the share register kept by the VPS or provide proof of its beneficial ownership. Beneficial owners of shares that are registered in the name of a nominee may not be entitled to vote under Norwegian law unless such shares are re-registered in the name of the beneficial owner, nor are any persons who are designated in the register as holding such Shares as nominees entitled to vote such shares.

Readers should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee-registered shares. For example, Oslo Børs has in a statement on 21 November 2003 held that in its opinion "nominee-shareholders" may vote at general meetings if they prove their actual shareholding prior to the general meeting.

There are no quorum requirements that apply to general meetings.

Additional issuances and preferential rights

If the Company issues new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be set aside by resolution in a General Meeting passed by the same vote required to amend the Articles of Association. A derogation of the Shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The General Meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to set aside the preferential rights of Shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the Shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing Shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to Shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration

statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. Shareholder is ineligible to participate in a rights offering, such Shareholder would not receive the rights at all and the rights would be sold on the Shareholder's behalf by the Company.

Minority rights

Norwegian law sets forth a number of protections for minority Shareholders of the Company, including but not limited to those described in this paragraph and the description of General Meetings as set out above. Any of the Shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Shareholders made at the General Meeting declared invalid on the grounds that it unreasonably favours certain Shareholders or third parties to the detriment of other Shareholders or the Company itself. The Shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority Shareholders holding 10% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an EGM to discuss or resolve specific matters. In addition, any of the Shareholders may in writing demand that the Company places an item on the agenda for any General Meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the General Meeting has not expired.

Shareholder vote on certain reorganizations

A decision to merge with another company or to demerge requires a resolution of the Shareholders passed by two-thirds of the aggregate votes cast at a General Meeting. A merger plan or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all Shareholders at least one month prior to the General Meeting.

Legal constraints on the distribution of dividends

Dividends may be paid in cash or in some instances in kind. The Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Companies Act provides that the Company may distribute dividend to the extent that its net assets following the distribution covers (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealized gains. The total nominal value of own shares which the Company has acquired for ownership or as security prior to the balance sheet date, as well as credit and security which, pursuant to Section 8-7 to Section 8-10 of the Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorize the Board of Directors to declare dividend on the basis of the Company's annual accounts. Dividend may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution are considered sound.

The Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident Shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Chapter 15.3 "Foreign Shareholders – Norwegian taxation".

Procedure for dividend payments

Any potential future payments of dividends on the Shares will be denominated in NOK and will be paid to the Shareholders through the VPS. Payment to investors registered in the VPS whose address is outside Norway will be conducted by the Company's registrar (DNB Verdipapirservice) based on information received from the VPS. Investors with an address outside Norway who have registered a valid bank account with the VPS will receive the dividend payment to the registered bank account while investors who have not registered a bank account with the VPS will receive the dividend payment as a check mailed to the address that the investor has registered in the VPS.

Related party transactions

Please refer to Chapter 16.3 "Related party transactions" for a description of the Group's agreements with related parties.

Liability of Directors

Directors owe a fiduciary duty to the Company and the Shareholders. Such fiduciary duty requires that each Director acts in the best interests of Zwipe when exercising his or her functions and exercises a general duty of loyalty and care towards Zwipe. The Directors' principal task is to safeguard the interests of Zwipe.

Directors may each be held liable for any damage they negligently or wilfully cause Zwipe. Norwegian law permits the General Meeting to exempt any such person from liability, but the exemption is not binding if substantially correct and complete information was not provided at the General Meeting when the decision was taken. If a resolution to grant such exemption from liability or not to pursue claims against such a person has been passed by a General Meeting with a smaller majority than that required to amend the Articles of Association, Shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders (which is the case in respect of Zwipe), more than 10% of the Shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds it receives as a result of the action. If the decision to grant an exemption from liability or not to pursue claims is made by such a majority as is necessary to amend the Articles of Association, the minority Shareholders cannot pursue the claim in Zwipe's name.

Indemnification of Directors and officers

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by Zwipe of the Board of Directors. However, as of the date of this Prospectus, the Company has a directors and officers liability insurance program.

Liquidation and dissolution, as well as public administration and winding up

According to the Companies Act, the Company may be liquidated by a resolution in a General Meeting passed by a two-thirds majority of the aggregate votes cast as well as two thirds of the aggregate share capital represented at that General Meeting.

The Shares rank *pari passu* in the event of a return of capital by the Company upon a liquidation or otherwise.

In the event a resolution to liquidate the Company has been made, the Company's assets shall be transformed to cash in order to cover the Company's contractual obligations and for distribution to the Shareholders as long as the Shareholders have not accepted to receive the dividends in kind.

13.10 Dividend policy

Zwipe has not paid any dividends since its incorporation, and the Company does not anticipate paying any dividends in the short term.

The dividend policy will, however, be regularly assessed by the Board of Directors, and will depend, among other things, on the Group's financial condition, leverage, liquidity and capital resources, and the expected market conditions.

13.11 Shareholders' agreement

Certain Shareholders have entered into a shareholders' agreement. Many of the provisions in the shareholders' agreement are not relevant or do no longer apply. The shareholders' agreement does however, entitle Kuang-Chi to appoint two (2) members of the Board of Directors, and each of the parties to the shareholders' agreement are subject to a non-compete provision whereby they will not, and that they will procure that their affiliates shall not, engage directly in any business in competition to the business of the Company, meaning the sale and distribution of products for payment, access or ID services by means of biometric authentication.

13.12 Corporate governance

The Board of Directors' is, among other things, responsible for ensuring that the Company has good corporate governance.

The Norwegian Code of Practice for Corporate Governance (Norwegian: "*Norsk anbefaling for god eierstyring og selskapsledelse*") (the "**Code**") is not mandatory for companies listed on Merkur Market. However, the Company will consider the implications of the Code going forward.

The Company is in compliance with the Code, save for the following exemptions:

Kim Humborstad is a member of the Board of Directors and the Management. Mr. Humborstad is the founder of the Company and was the Company's CEO until the end of February 2018. His intimate knowledge and expertise in the biometric industry mean that he is a key resource for the Board and the Management.

The Company does not have an audit committee, as recommended by the Code when a member of the Management also serves as a member of the Board of Directors.

14 Securities trading on Merkur Market

14.1 Introduction

As a company listed on Merkur Market, Zwipe will be subject to certain duties to inform the market under the rules on the continuing obligations of companies admitted to trading on Merkur Market (the "**Continuing Obligations**") as approved by Oslo Børs on 23 September 2015 and amended on 6 December 2016 and 1 March 2017. Zwipe will also, from the first day of trading at Merkur Market, be subject to certain provisions in chapter 3 of the Norwegian Securities Trading Act, including (without limitation) the prohibition on misuse of inside information, the duty of confidentiality and due care in handling inside information, the prohibition of advice, and the prohibition on market manipulation, cf. Securities Trading Act, Sections 3-3, 3-4, 3-7 and 3-8, cf. Section 3-1, fourth paragraph.

14.2 Trading and settlement

Trading of equities on Merkur Market is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by Oslo Børs, the London Stock Exchange as well as by the Borsa Italiana and the Johannesburg Stock Exchange.

Official trading on Oslo Børs takes place between 09:00 CET and 16:20 CET each trading day, with a pre-trade period between 08:15 CET and 09:00 CET, a closing auction between 16:20 CET and 16:25 CET and a post-trade period from 16:25 CET to 16:30 CET. Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on Merkur Market is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

SIX x-clear Ltd, a company in the SIX group, and London Clearing House are offering clearing and counterparty services for equity trading on Oslo Børs, including on Merkur Market.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from a member state of the EEA, or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this under the Norwegian Securities Trading Act, or, in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. Such market-making activities do not as such require notification to the Norwegian FSA or Oslo Børs, except for the general obligation of investment firms that are members of Oslo Børs to report all trades in stock exchange listed securities

14.3 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under the Continuing Obligations, a company whose shares are listed on Merkur Market must promptly release any inside information directly concerning the company (*i.e.* precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public.

14.4 The VPS and transfer of Shares

The Company's Shareholder register (the "**Shareholder Register**") is operated through the VPS, the Norwegian paperless centralized securities register. It is a computerized bookkeeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA can act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, by the relevant company's general meeting, or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control, of which the VPS could not reasonably be expected to avoid or overcome the consequences. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

14.5 Shareholder register

Under Norwegian law, shares are registered in the name of the owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, shares may be registered with VPS in the name of a depositary (bank or other nominee) approved by the Norwegian FSA, to act as nominee for non-Norwegian shareholders. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In the case of registration by nominees, registration with VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote at general meetings on behalf of

the beneficial owners. Beneficial owners must register with VPS or provide other sufficient proof of their ownership to the shares to vote at general meetings.

14.6 Foreign investment shares listed in Norway

Non-Norwegian investors may trade shares listed on Merkur Market through any broker that is a member of Oslo Børs, whether Norwegian or non-Norwegian.

14.7 Insider trading, duty of confidentiality and due care in handling obligations

According to Norwegian law, subscription for, purchase, sale or exchange of shares which are listed on Merkur Market must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act and 3.1.1 of the Continuing Obligations. The same applies to entry into, purchase, sale or exchange of option or futures/forward contracts or equivalent rights connected with such shares or incitement to such disposition. Violation of these provisions is a criminal act which may be punished by fine or by imprisonment not exceeding six years.

Further, a person possessing inside information must not disclose such information to unauthorised persons and shall handle such information with due care so that the inside information does not come into the possession of unauthorised persons or is misused. Violation of these provisions is a criminal act which may be punished by a fine or imprisonment not exceeding 1 year.

14.8 Squeeze out

Pursuant to the Companies Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian private limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such squeeze out acquisition, the majority shareholder becomes the owner of the remaining shares with immediate effect.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. Should any minority shareholder not accept the offered price, such a minority shareholder may, within a specified deadline not to be of less than two months duration, request that the price be set by the Norwegian courts. Absent such request or other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the two-month deadline.

14.9 No mandatory offer requirement or disclosure obligation for owners

There is no mandatory offer requirement or disclosure obligation relating to ownership in respect of companies whose shares are listed on Merkur Market.

14.10 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities,

customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

15 Taxation

15.1 General

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on Norwegian laws, rules, and regulations in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. The summary does not address foreign tax laws.

The following summary is of a general nature and does not purport to be a comprehensive description of all Norwegian tax considerations that may be relevant for a decision to acquire, own or dispose of Shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and Shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian Shareholder refers to the tax residency rather than the nationality of the Shareholder.

15.2 Norwegian Shareholders

15.2.1 *Taxation of dividends*

15.2.1.1 Norwegian Individual Shareholders

Dividends received by Shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Individual Shareholders**") are taxable as ordinary income for such Shareholders at a flat rate of currently 31.68% (the nominal rate is 22% but the taxable income is multiplied with a factor of 1.44) to the extent the dividend exceeds a tax-free allowance.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate after tax of interest on treasury bills (Norwegian: "statskasseveksler") with three months maturity. The allowance is calculated for each calendar year, and it is allocated solely to Norwegian Individual Shareholders holding shares at the expiration of the relevant income year.

Norwegian Individual Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("**Excess Allowance**") may be carried forward and set off against future dividends received on, or gains upon realization of, the same share. Any excess allowance will also be included in the basis for calculating the allowance on the same share in the following years.

15.2.1.2 Norwegian Corporate Shareholders

Dividends received by Shareholders that are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are effectively taxed at a rate of 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and subject to tax at a flat rate of currently 22%). For Norwegian Corporate Shareholders that are considered to be financial institutions (e.g. banks etc.) the applicable

effective tax rate is 0.75% (3% of dividend income is subject to tax at the flat tax rate for financial institutions of currently 25%).

15.2.2 *Taxation of capital gains on realization of shares*

15.2.2.1 Norwegian Individual Shareholders

Sale, non-proportionate redemption, or other disposals of shares is considered as realization for Norwegian tax purposes. A capital gain or loss derived by a Norwegian Individual Shareholder through realization of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Shareholder's ordinary income in the year of disposal and taxable at an effective rate of 31.68% (the nominal rate is 22% but the taxable income or deductible loss is multiplied with a factor of 1.44).

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share, as the difference between the consideration for the share and the Norwegian Individual Shareholder's cost price of the share, including any costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Individual Shareholders are entitled to deduct any Excess Allowance, cf. Chapter 15.2.1.1 above. Any Excess Allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, *i.e.*, any Excess Allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Individual Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

15.2.2.2 Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purpose.

15.2.3 *Net wealth tax*

The value of shares held by Norwegian Individual Shareholders as at 1 January in the year of assessment (*i.e.* the year following the relevant fiscal year) is included in the basis for the computation of net wealth tax imposed on such Shareholders. Currently, the marginal wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for shares not listed at a regulated market is equal to 75% of the shares' proportional share of the company's net book value for tax purposes (tax value of all assets less tax value of all debt) as of 1 January in the relevant income year. For income years in which the company's share capital is increased or decreased due to injection of new share capital by the shareholders or repayment of share capital to the shareholders, the value for assessment purposes of such shares not listed at a regulated market is determined based on the same principle but as at 1 January in the year following the relevant income year. The value of debt allocated to the shares not listed at a regulated market is reduced accordingly (*i.e.* to 75%) for assessment purposes.

Norwegian Corporate Shareholders are not subject to net wealth tax.

15.3 Foreign Shareholders – Norwegian taxation

15.3.1 *Taxation of dividends*

15.3.1.1 Non-Norwegian Individual Shareholders

Dividends distributed to Shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Individual Shareholders**") are, as a general rule, subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the Shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation. In order to benefit from a reduced withholding tax rate all Non-Norwegian Individual Shareholders must meet certain documentation requirements, which include providing a Certificate of Tax Residency. As the further details of the documentation requirements may vary depending on individual circumstances, potential investors in the Company should consult with their own tax advisers in this respect.

Non-Norwegian Individual Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance in respect of each individual share (please see "Norwegian Individual Shareholders" under Chapter 15.2.2.1 above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% calculated on the gross dividend less the tax-free allowance.

If a Non-Norwegian Individual Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the Shareholder will be subject to the same taxation of dividends as a Norwegian Individual Shareholder, as described above.

Non-Norwegian Individual Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply individually to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

15.3.1.2 Non-Norwegian Corporate Shareholders

Dividends distributed to Shareholders that are limited liability companies not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**") are, as a general rule, subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the Shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian tax provided that the Shareholder is the beneficial owner of the shares and that the Shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

Documentation requirements apply to Non-Norwegian Shareholders who claim entitlement to a reduced withholding tax rate or a withholding tax exemption. These documentation requirements vary depending on whether the Shareholders claims a reduced withholding tax rate in accordance with an applicable tax treaty or whether the Shareholder claims a tax exemption based on being a tax resident in another EEA country and depending on whether the Non-Norwegian Corporate Shareholder has previously qualified for a reduced rate for, or an exemption from, the withholding tax. Thus, Non-Norwegian Corporate Shareholders should consult with their own tax advisers in order to determine the documentation required. The documentation requirements apply equally to nominee registered shares.

Non-Norwegian Corporate Shareholders who have suffered to a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax withheld. The same applies to Non-Norwegian Corporate Shareholders within the EEA that are exempt from Norwegian tax on dividends, pursuant to participation exemption.

If the Non-Norwegian Corporate Shareholder holds the shares in connection with business activities in Norway, the Shareholder will be subject to the same taxation as a Norwegian Corporate Shareholders, as described above.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

15.3.2 *Taxation of capital gains on realization of shares*

15.3.2.1 Non-Norwegian Individual Shareholders

Gains from the sale or other disposals of shares in the Company by a Non-Norwegian Individual Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Individual Shareholder holds the shares in connection with business activities carried out in or managed from Norway.

15.3.2.2 Non-Norwegian Corporate Shareholders

Capital gains derived from the sale or other type of realization of shares in the Company by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the Non-Norwegian Corporate Shareholder holds the shares in connection with business activities carried out or managed from Norway.

15.3.3 *Net wealth tax*

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax.

Non-Norwegian Individual Shareholders may however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

15.3.4 *Inheritance tax*

Effective 1 January 2014, there is no inheritance tax in Norway.

15.4 **VAT and transfer taxes**

No value added tax ("VAT"), stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

16 Legal matters

16.1 Litigation – legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous twelve (12) months which may have, or have had in the recent past, significant effects on the Company's and/or Group's financial position or profitability, other than the opposition against one of Zwipe's granted patents. For further info on the opposition, please refer to Chapter 7.8.2 "Patents". This granted patent is not part of the Biometric Inlay.

For a description of the risk faced by Zwipe related to potential claims related to IP infringement, please see Chapters 2.1 "Risks related to the Group and the industry in which the Group operates".

16.2 The Company's dependence of certain material contracts

Please refer to Chapter 7.13 for a description of the Company's dependence on certain material contracts.

16.3 Related party transactions

Espen Tøndel, Board member, is a partner in Simonsen Vogt Wiig, that serves as legal counsel to Zwipe and also serves as legal advisor to Zwipe connected to the Offering and Listing. In 2015, 2016 and 2017, Zwipe expensed fees from Simonsen Vogt Wiig in the amount of NOK 2.9 million, NOK 2.5 million and NOK 2 million respectively (amounts excluding VAT).

Jörgen Lantto, currently Chairman of the Board, was engaged as a consultant to the company from November 2016 to November 2017, assisting the company on operational matters related to biometric business operations. The fees amounted to NOK 126,088 in the period.

In 2017, Zwipe sold 500 access control cards to Shareholder Kuang-Chi related to a joint project in China. The symbolic payment of the cards was offset by a down payment of USD 10,000 of the outstanding shareholder loan.

On 21 September 2015, the Company as the borrower and Kuang-Chi as the lender, entered into a convertible loan agreement. For more information see Chapter 13.6.1 "The Kuang-Chi Loan".

17 Summary - Swedish translation

17.1 Sammanfattning

Följande sammanfattning av den information och de finansiella och andra uppgifter som förekommer på andra ställen i detta Prospekt ska läsas tillsammans med den mer detaljerade informationen som finns på andra ställen i Prospektet och i de dokument som har införlivats genom hänvisning, se avsnitt 17.2 "Dokument införlivade genom hänvisning". Denna sammanfattning innehåller inte all information som kan vara av betydelse för potentiella investerare, utan den ska läsas som en introduktion till Prospektet. Potentiella investerare ska noggrant granska Prospektet i dess helhet, inklusive riskfaktorerna och de mer detaljerade finansiella och andra uppgifterna inkluderade i detta Prospekt eller införlivade genom hänvisning (finansiella uppgifter finns tillgängliga på www.zwipe.com). Till följd av genomförandet av relevanta bestämmelser i EU:s Prospektdirektiv i varje medlemsstat i det europeiska ekonomiska samarbetsområdet ("EES") i vilken ett erbjudande som träffas av EU:s Prospektdirektiv har lämnats, ska inget civilrättsligt ansvar åläggas de ansvariga personerna i någon sådan medlemsstat enbart på grund av denna sammanfattning, inklusive översättningar därav, om den inte är vilseledande, felaktig eller oförenlig med de andra delarna av detta Prospekt. Om ett yrkande avseende uppgifter i detta Prospekt anförs vid domstol i en EES-medlemsstat kan käranden, i enlighet med den nationella lagstiftningen i den medlemsstat där yrkandet anförs, bli tvungen att svara för kostnaderna för översättning av detta Prospekt innan de rättsliga förfarandena inleds.

Avsnitt A – Introduktion och varningar

A.1	Introduktion och varningar	<p>Denna sammanfattning ska läsas som en introduktion till Prospektet.</p> <p>Varje beslut om att investera i de Erbjudna Aktierna ska baseras på en bedömning av Prospektet i dess helhet från investerarens sida.</p> <p>Om ett yrkande avseende uppgifter i Prospektet anförs vid domstol kan den investerare som är kärande, i enlighet med den aktuella medlemsstatens nationella lagstiftning, bli tvungen att svara för kostnaderna för översättning av Prospektet innan de rättsliga förfarandena inleds.</p> <p>Civilrättsligt ansvar kan enbart åläggas de personer som har lagt fram sammanfattningen, inklusive översättningar därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av Prospektet eller om den inte, tillsammans med de andra delarna av Prospektet, ger nyckelinformation för att hjälpa investerare som överväger att investera i sådana värdepapper.</p>
A.2	Samtycke till finansiella mellanhänders användning av Prospektet	Ej tillämplig; Bolaget medger ingen rätt att använda detta Prospekt för efterföljande återförsäljning eller slutlig placering av de Erbjudna Aktierna.

Avsnitt B – Emittent

B.1	Firma och handelsbeteckningar	Zwipe AS.
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B.2	Säte, bolagsform, lagstiftning och län för bildande	Bolaget är ett privat aktiebolag (norska: " <i>aksjeselskap</i> ") som är bildat och existerande under norsk rätt.
B.3	Nuvarande och huvudsaklig verksamhet	<p>Zwipe är ett biometriskt teknologibolag som fokuserar på utveckling och kommersialisering av säkra, snabba och användarvänliga biometriska autentiseringslösningar med möjlighet till en bred tillämpning över nyckelvertikaler såsom betalning, åtkomstkontroll och identifiering inom den offentliga sektorn. Zwipe fokuserar för närvarande på betalning.</p> <p>Zwipes mångfasetterade teknologi fungerar med kundernas befintliga infrastruktur och system utan något behov av externa databaser samt fungerar med och utan batterier. Den förbättrade säkerheten som möjliggörs av biometri i kombination med fördelen av kontaktlös användning tillhandahåller den ideala plattformen för nästa generations smartkort, som dessutom adresserar högaktuella integritetsfrågor.</p>
B.4	Nyliga väsentliga trender	<p>Den ökade användningen av biometri i vardagen har normaliserat teknologin för massmarknaden. Tack vare smarttelefoner och andra enheter som använder sig av biometri är konsumenter bekanta och bekväma med biometrisk autentisering. Nyligen genomförda marknadsundersökningar tyder på att konsumenter har ett stort intresse av ny biometrisk teknologi som kan underlätta för dem i vardagen, och utsikterna för biometrisk autentisering på såväl utvecklade marknader som utvecklingsmarknader är positiva av flera olika anledningar.</p> <p>Bolagets strategi är att bjuda ut sin kärnteknologi inom tre massmarknader: betalning, åtkomstkontroll och identifikation, och Bolagets primära produktutbud består, per dagen för detta Prospekt, av biometriska inlägg för Betalkort.</p> <p>Zwipe anser att dess starka immateriella rättigheter och teknologi, innefattande dess unika energiutvinning, energianvändning biometriska teknologi, positionerar Bolaget att ta en väsentlig andel av marknaden för biometriska betalkort samt därefter även att expandera sin verksamhet till marknaderna för biometrisk åtkomstkontroll och identifikation.</p> <p>För att framgångsrikt introducera sin teknologi på marknaden har Zwipe ingått ett strategiskt samarbete med Gemalto och kommer fortsätta att ingå liknande samarbeten med andra korttillverkare.</p> <p>Tillsammans med Gemalto och Bank of Cyprus lanserade Zwipe världens första prototyp av ett batterilöst och fingeravtrycksaktiverat Dual Interface-Betalkort under det första kvartalet 2018. Därutöver har Zwipe introducerat en 70% minskning av energikonsumtionen för kortet och även innovativa lösningar för inskrivningslösningar med fingeravtryck i hemmet och hos banken.</p> <p>Under sommaren 2018 har pilotprojekt inletts med Gemalto för återstoden av 2018 och början av 2019. För närvarande är 10 pilotprojekt pågående med Gemalto, Aareba och de ledande bankerna i Mellanöstern och stöds av Visa. Ett pilotprojekt pågår även med den ledande italienska banken, Banca Intesa Sanpaolo, baserat på dialog genom Gemalto. Detta pilotprojekt stöds av Mastercard. Andra pilotprojekt ligger i pipeline och flera globala topp 20 banker och en ledande nordisk bank för samtal om nya pilotprojekt.</p>

		<p>Därtuöver har Zwipe ingått samarbeten med den kinesiska korttillverkaren Silone Cardtech och den filippinska korttillverkaren Allcard.</p> <p>Se avsnitt 7.3 "Kortfattad historik och utveckling" och avsnitt 8.7 "Information om trender; väsentliga förändringar av Koncernens finansiella ställning sedan 30 juni 2018" för mer information om nyliga väsentliga trender i Koncernens verksamhet, relevanta marknader och nyliga förändringar av finansiell ställning.</p>																																																																		
B.5	Beskrivning av Koncernen	<p>Koncernen består av Bolaget och ett helägt dotterbolag, Zwipe America Inc. ("Zwipe America"), ett bolag bildat under lagarna i delstaten Delaware i Amerikas förenta stater ("USA").</p> <p>Koncernens administration, ekonomi, immateriella rättigheter, produkthantering och försäljning hanteras på moderbolagsnivå, medan forskning och utveckling samt distributionskedjan bedrivs och sköts av Zwipe America.</p>																																																																		
B.6	Intressen i Bolaget och rösträtt	<p>De 20 största Aktieägarna i Bolaget per den 4. januari 2019 är angivna i tabellen nedan.</p> <table border="1"> <thead> <tr> <th>Topp 20 Aktieägare</th><th>Antal Aktier</th><th>Andel Aktier</th></tr> </thead> <tbody> <tr><td>Lars Windfeldt (Styrelseledamot)*</td><td>950 195</td><td>10,1 %</td></tr> <tr><td>Photon Future Ltd. (Kuang-Chi)</td><td>915 869</td><td>9,7 %</td></tr> <tr><td>Launch AS (Grundare, Kim Humborstad)</td><td>849 298</td><td>9,0 %</td></tr> <tr><td>Concito as</td><td>535 610</td><td>5,7 %</td></tr> <tr><td>Telecom AS</td><td>290 000</td><td>3,1 %</td></tr> <tr><td>Feat Invest AB</td><td>251 500</td><td>2,7 %</td></tr> <tr><td>Altitude Capital AS</td><td>250 000</td><td>2,7 %</td></tr> <tr><td>Prog Seed AS</td><td>241 338</td><td>2,6 %</td></tr> <tr><td>MP Pensjon PK</td><td>208 000</td><td>2,2 %</td></tr> <tr><td>Advisum AS</td><td>190 876</td><td>2,0 %</td></tr> <tr><td>Jörgen Lantto (Styrelseordförande)</td><td>180 000</td><td>1,9 %</td></tr> <tr><td>Johan Biehl (Styrelsemedlem)</td><td>170 000</td><td>1,8 %</td></tr> <tr><td>John Bäck</td><td>164 361</td><td>1,7 %</td></tr> <tr><td>Patri Invest & Trading AS</td><td>151 000</td><td>1,6 %</td></tr> <tr><td>Prinvest AS</td><td>150 579</td><td>1,6 %</td></tr> <tr><td>Edale Capital</td><td>150 000</td><td>1,6 %</td></tr> <tr><td>Energetic AS (CEO)</td><td>140 000</td><td>1,5 %</td></tr> <tr><td>LJM AS</td><td>128 666</td><td>1,4 %</td></tr> <tr><td>Patrick Bergström</td><td>115 000</td><td>1,2 %</td></tr> <tr><td>Langebru AS</td><td>111 696</td><td>1,2 %</td></tr> <tr> <td>Total topp 20 Aktieägare</td><td>6 143 988</td><td>65 %</td></tr> </tbody> </table> <p>Den ovanstående listan har upprättats av Bolaget med vederbörlig omsorg baserat på information hämtad från VPS, men Bolaget ansvarar inte för att informationen i listan är korrekt.</p> <p>* Mr. Windfeldts aktieinnehav i Bolaget är spritt över ett antal bolag, se avsnitt 13.3 "Större Aktieägare" för mer information.</p>	Topp 20 Aktieägare	Antal Aktier	Andel Aktier	Lars Windfeldt (Styrelseledamot)*	950 195	10,1 %	Photon Future Ltd. (Kuang-Chi)	915 869	9,7 %	Launch AS (Grundare, Kim Humborstad)	849 298	9,0 %	Concito as	535 610	5,7 %	Telecom AS	290 000	3,1 %	Feat Invest AB	251 500	2,7 %	Altitude Capital AS	250 000	2,7 %	Prog Seed AS	241 338	2,6 %	MP Pensjon PK	208 000	2,2 %	Advisum AS	190 876	2,0 %	Jörgen Lantto (Styrelseordförande)	180 000	1,9 %	Johan Biehl (Styrelsemedlem)	170 000	1,8 %	John Bäck	164 361	1,7 %	Patri Invest & Trading AS	151 000	1,6 %	Prinvest AS	150 579	1,6 %	Edale Capital	150 000	1,6 %	Energetic AS (CEO)	140 000	1,5 %	LJM AS	128 666	1,4 %	Patrick Bergström	115 000	1,2 %	Langebru AS	111 696	1,2 %	Total topp 20 Aktieägare	6 143 988	65 %
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B.7	Utvald historisk central finansiell information	<p>Följande utvald finansiell information har hämtats från Bolagets finansiella information per, och för den sexmånadersperiod som avslutades, den 30 juni 2018, och Bolagets reviderade finansiella information per, och för de år som avslutades, den 31 december 2017, 2016 respektive 2015.</p> <p>Den utvalda finansiella informationen som är inkluderad häri ska läsas tillsammans med, och är i dess helhet villkorad av hänvisningar till, de finansiella rapporter och delårsinformation som är införlivade genom hänvisning i detta Prospekt och ska läsas tillsammans med avsnitt 9 ”Operativ och finansiell översikt”.</p> <p>Den presenterade informationen är förenlig med god redovisningssed i Norge (”NGAAP”), med undantag för räkenskapsåret 2015 som presenteras i enlighet med NGAAP för mindre bolag, NRS 8 (”NRS 8”).</p>				
Konsoliderad resultaträkning						
	Halvår avslutat 30 juni		Räkenskapsår avslutat 31 december			
Rörelseintäkter och rörelsekostnader (TNOK)	2018 (oreviderad) NGAAP Konsoliderad	2017 (oreviderad) NGAAP Konsoliderad	2017 (reviderad) NGAAP Konsoliderad	2016 (reviderad) NGAAP Konsoliderad	2016 (reviderad) NRS8 Ej konsoliderad	2015 (reviderad) NRS8 Ej konsoliderad
Försäljningsintäkter	677	402	1 073	509	509	664
Övriga rörelseintäkter	-	109	152	88	88	60
Rörelseintäkter	677	511	1 224	597	597	724
Kostnader för sålda varor ²²	743	928	2 454	401	401	2 607
Lönekostnader	11 242	9 022	17 654	12 906	5 718	3 726
Avskrivningar av materiella och immateriella anläggningstillgångar	6 979	1 376	4 166	2 762	2 599	1 818
Övriga rörelsekostnader	11 910	13 954	27 420	19 441	27 430	12 686
Rörelsekostnader	30 874	25 281	51 694	35 511	36 148	20 837
Rörelseresultat	-30 196	-24 770	-50 469	-34 913	-35 551	-20 113
Finansiella intäkter och kostnader						
Övriga ränteintäkter	0,33	0,13	47	11	11	15
Övriga finansiella intäkter	205	38	706	737	737	2 449
Övriga räntekostnader	392	21	2 509	700	700	106
Övriga finansiella kostnader	329	97	1 013	1 185	1 185	58

²² KSV eller kostnad för sålda varor är definierat i avsnitt 9.1.1.

Finansnetto	-516	-80	-2 769	-1 136	-1 136	2 300
Resultat före skatt	-30 712	-24 850	-53 239	-36 050	-36 687	-17 814
Skattekostnader	-	-	506	246		
Årets resultat	-30 712	-24 850	-53 745	-36 296	-36 687	-17 814
Balansräkning						
Balansräkning (TNOK)	Halvår avslutat 30 juni		Räkenskapsår avslutat 31 december			
	2018	2017	2017	2016	2016	2015
	(oreviderad)	(oreviderad)	(reviderad)	(reviderad)	(reviderad)	(reviderad)
	NGAAP	NGAAP	NGAAP	NGAAP	NRS8	NRS8
	Konsoliderad	Konsoliderad	Konsoliderad	Konsoliderad	Ej konsoliderad	Ej konsoliderad
Tillgångar						
Anläggningstillgångar						
Immateriella anläggningstillgångar						
Forskning och utveckling	4 579	3 347	2 157	4 351	4 351	4 393
Licenser, patent etc.	-	5 890	5 333	3 543	3 543	1 845
Summa immateriella tillgångar	4 579	9 237	7 490	7 893	7 893	6 238
Materiella anläggningstillgångar						
Inventarier, verktyg och installationer	2 373	3 407	2 542	969	910	453
Summa materiella anläggningstillgångar	2 373	3 407	2 542	969	910	453
Finansiella anläggningstillgångar						
Investeringar i dotterbolag	-		0	0	386	386
Övriga fordringar	1 136	1 122	1 136	208	208	179
Summa finansiella anläggningstillgångar	1 136	1 122	1 136	208	594	565
Summa anläggningstillgångar	8 088	13 766	11 168	9 071	9 398	7 256
Omsättningstillgångar						
Inventarier	5 446	3 850	5 141	4 108	4 108	677
Summa inventarier	5 446	3 850	5 141	4 108	4 108	677
Fordringar						
Kundfordringar	938	245	107	109	109	355
Övriga fordringar	6 000	4 757	5 586	4 488	4 445	3 401
Summa fordringar	6 938	5 002	5 693	4 597	4 554	3 756
Banktillgodohavanden	37 900	28 107	49 263	19 825	19 289	37 623

och likvida medel						
Summa banktillgodohavanden och likvida medel	37 900	28 107	49 263	19 825	19 289	37 623
Summa omsättningstillgångar	50 285	36 960	60 097	28 530	27 952	42 056
Summa tillgångar	58 372	50 726	71 265	37 601	37 350	49 313
Eget kapital						
Aktiekapital	943	519	743	457	457	455
Överkursfond	28 468	119 570	37 854	82 248	82 248	81 648
Förluster från tidigare år	-	-97 580	-	-73 438	-74 389	-37 703
Summa bundet eget kapital	29 411	22 509	38 597	9 267	8 315	44 401
Summa eget kapital	29 411	22 509	38 597	9 267	8 315	44 401
Skulder						
Övriga långfristiga skulder	663	1 140	888	24 538	24 538	1 825
Summa övriga långfristiga skulder	663	1 140	888	24 538	24 538	1 825
Kortfristiga skulder						
Leverantörsskulder	2 062	2 632	4 065	1 735	2 633	2 134
Offentliga avgifter	723	342	541	441	441	281
Skatteskulder	-	-	291	176	-	-
Övriga kortfristiga skulder	25 514	24 104	26 884	1 446	1 424	671
Summa kortfristiga skulder	28 299	27 077	31 780	3 797	4 497	3 087
Summa skulder	28 962	28 217	32 668	28 334	29 034	4 912
Summa eget kapital och skulder	58 373	50 726	71 265	37 601	37 350	49 313
Kassaflöde från löpande verksamhet						
	Halvår avslutat 30 juni		Räkenskapsår avslutat 31 december			
	2018	2017	2017	2016	2015	
	(oreviderad)	(oreviderad)	(reviderad)	(reviderad)	Zwipe AS (reviderad)	
Nettoreultat före skatt	-30 712	-24 850	-53 239	-36 050	-17 814	
Erlagd skatt			-391	-97	-	
(+) Avskrivningar	6 979	1 376	4 166	2 762	1 818	
(-) Förändringar i inventarier	-305	258	-1 033	-3 431	-677	
(-) Förändringar i kundfordringar	-831	-136	2	246	-346	
(-) Förändringar i övriga omsättningstillgångar	-414	-1 183	-2 025	-1 116	-1 534	
(+) Förändringar i leverantörsskulder	-2 003	897	2 330	20	944	

(+) Förändringar i kortfristiga skulder		1 162	467	1 178	566	122
Nettokassaflöde från löpande verksamhet		-26 124	-23 171	-49 012	-37 100	-17 486
Kassaflöde från investeringsverksamhet						
Immateriella tillgångar och investeringar		-3 898	-5 158	-5 336	-4 933	-2 294
Nettokassaflöde från investeringsverksamhet		-3 898	-5 158	-5 336	-4 933	-2 294
Kassaflöde från operationell verksamhet		-30 023	-28 329	-54 348	-42 034	-19 781
Kassaflöde från finansieringsverksamhet						
Ränta						
Ränta på aktieägarlån (ingen kassaeffekt)		-1 595	-740	1 789	23 454	-1 169
Nyemission		20 000	37 385	81 988	601	42 783
Investering Zwipe America Inc						-386
Kassaflöde från finansieringsverksamhet		18 405	36 645	83 776	24 055	41 229
Effekter av valutadifferenser		255	-34	10	-34	
Nettoinflöde / (utflöde) av likvida medel		-11 363	8 282	29 438	-18 013	21 447
Likvida medel vid periodens början		49 263	19 825	19 825	37 837	16 176
Likvida medel vid periodens slut		37 900	28 107	49 263	19 825	37 623
Nettokassaflöde för perioden		-11 363	8 282	29 438	-18 013	21 447
B.8	Utvald central proformaredovisning	Ej tillämplig; det finns ingen proformaredovisning.				
B.9	Resultatprognos	Ej tillämplig; inga resultatprognoser lämnas.				
B.10	Anmärkningar i revisionsberättelsen	<p>Bolagets revisor är BDO AS ("BDO").</p> <p>BDO har granskat Bolagets räkenskaper för räkenskapsåren som avslutades den 31 december 2017, 2016 respektive 2015 och alla revisionsutlåtanden har utfärdats utan anmärkningar.</p>				
B.11	Rörelsekapital	<p>För närvarande har Bolaget inte tillräckligt rörelsekapital (kassa och finansiering) för dess nuvarande behov. Utan ytterligare åtgärder förväntas Bolagets rörelsekapital att ta slut i slutet av januari 2019. Koncernen förväntar sig att behöva cirka 123 miljoner NOK för att säkra tillräckligt rörelsekapital för den period som omfattar tolv (12) månader från dagen för detta Prospekt.</p>				

		<p>Beräkningen att cirka 123 miljoner NOK behövs i rörelsekapital är baserad på ett antagande om att den genomsnittliga månatliga operationella förbrukningen under 2019 kommer att uppgå till cirka 9 miljoner NOK, och att den återstående delen av Kuang-Chi-Lånet om 14,3 miljoner NOK (ca 1,8 million USD) återbetalas i slutet av januari 2019. Bolaget har erhållit skriftlig bekräftelse från Mr. Mattias Forslin att han, vid en framgångsrik kapitalanskaffning om totalt minst 25 miljoner NOK – sådant villkor att uppfyllas genom Erbjudandet – kommer att konvertera till aktier hela det konvertibla lån om 9,1 miljoner SEK som upptogs i september 2018. Därmed kommer återbetalningen av Forslin-lånet inte att kräva något rörelsekapital.</p> <p>Med beaktande av att av cirka 24 miljoner NOK av de 123 miljoner NOK som behövs kommer att täckas av Bolagets befintliga medel, EU-bidraget och Skattefunn, återstår cirka 99 miljoner NOK att täckas av Erbjudandet. Om Bolaget skulle misslyckas att anskaffa en nettolikvid i Erbjudanden överstigande 99 miljoner NOK (av vilken en bruttolikvid om 90 miljoner NOK omfattas av förhandsåtagen) kommer Bolaget att minska den månatliga förbrukningen under 2019 så att det säkerställs att nödvändigt rörelsekapital är tillräckligt finansierat genom Erbjudandet och andra nämnda finansieringskällor.</p>
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Avsnitt C – Värdepapper

C.1	Slag och kategori av värdepapper som upptas till handel och identifikationsnummer	<p>Zwipe har ett aktieslag.</p> <p>Zwipes omsättbara Aktier har utfärdats i enlighet med norska aktiebolagslagen och är registrerade elektroniskt hos VPS med ISIN-kod: NO0010721277.</p>
C.2	Denominering	Aktierna är denominerade i norska kronor ("NOK").
C.3	Antal emitterade aktier och nominellt värde	Per dagen för detta Prospekt har Bolaget ett fullt betalat aktiekapital om 942 566,20 NOK fördelat på 9 425 662 Aktier, envar med ett nominellt värde om 0,10 NOK per Aktie.
C.4	Rättigheter som sammanhänger med värdepapperen	<p>Zwipe har ett aktieslag. Aktierna är likvärdiga i alla avseenden, inklusive rätt till utdelning, rösträtt, rätt att ta del av Bolagets vinst, rätt att ta del av eventuellt överskott i händelse av likvidation, inlösenbestämmelser, bestämmelser om reserver och amorteringar, ansvar för ytterligare kapitalisering av Bolaget, och eventuella bestämmelser som är till nackdel eller fördel för någon befintlig eller potentiell innehavare av sådana värdepapper till följd av att sådan Aktieägare innehar ett betydande antal aktier. Varje Aktie berättigar till en röst vid Bolagets bolagsstämmor ("Bolagsstämmor" avser årsstämmor och extra bolagsstämmor för Bolagets Aktieägare, och "Bolagsstämma" avser endera av dem).</p>
C.5	Överlåtelsebegränsningar	<p>Aktierna är fritt överlåtbara och med förbehåll för tillämplig värdepapperslagsstiftning (ytterligare information nedan) föreligger det inte några begränsningar i Bolagets värdepapper.</p> <p>Aktieöverlåtelser fordrar inte godkännande av Zwipes vid var tid valda styrelse ("Styrelsen").</p>
C.6	Upptagande till handel	Zwipe ansökte den 9 januari 2019 om upptagande av dess Aktier (inklusive de Erbjudna Aktierna) till handel på Merkur Market, en multilateral handelsplattform som drivs av Oslo

		<p>Børs ("Noteringen"). Noteringsansökan för Zwipe förväntas godkännas av Oslo Børs omkring den 23 januari 2019, förutsatt att vissa villkor är uppfyllda.</p> <p>För närvarande uppskattar Zwipe att handeln av Aktierna på Merkur Market kommer att påbörjas omkring den 28 januari 2019. Bolaget har inte ansökt om upptagande till handel på någon reglerad marknad, och Aktierna är för närvarande inte upptagna till handel på någon reglerad marknad.</p>
C.8	Utdelningspolicy	<p>Zwipe har inte lämnat någon utdelning sedan dess bildande, och Bolaget förutser inte att någon utdelning kommer att lämnas inom en nära framtid.</p> <p>Utdelningspolicyn kommer emellertid att regelbundet utvärderas av Styrelsen, och kommer bland annat att vara beroende av Koncernens finansiella ställning, skuldsättning, likviditet och kapitaltillgång samt förväntade marknadsförhållanden.</p>

Avsnitt D – Risker

D.1	Huvudsakliga risker specifika för Bolaget eller för dess bransch	<p><i>Risker relaterade till Koncernen och dess bransch:</i></p> <ul style="list-style-type: none"> • Zwipes verksamhet, resultat och finansiella ställning kan påverkas av försämrade ekonomiska förhållanden på de marknader där Zwipe verkar. • Övåntade legala förändringar kan påverka Zwipes verksamhet negativt. • Fortsatt snabb teknologisk utveckling kan öka konkurrensen eller kräva att Zwipe vidtar ytterligare och betydande investeringar. <p><i>Risker relaterade till Koncernens verksamhet</i></p> <ul style="list-style-type: none"> • Konkurrerande teknologi: En penetrationsgrad avseende mobila betalningar som överstiger den förväntade kan komma att påverka marknaden för smartkort. • Förseningar i certifiering och/eller utrustning till kunder kan försena och därmed påverka Zwipes verksamhet och lönsamhet negativt. • Långsam utveckling av efterfrågan på biometrisk kortsensorer, till följd av faktorer såsom eventuella tillkortakommanden inom branschen att reducera kostnaderna för biometrisk smartkort. • Zwipes framgång är beroende av dess förmåga att attrahera och behålla samarbetspartners, kunder samt att åstadkomma massproduktion. • Trots att Bolaget har, och förväntas att fortsätta ha, ett flertal kunder, är det helt beroende av sitt affärsförhållande med världens största Korttillverkare, Gemalto. • Zwipe är beroende av såväl nyckelleverantörer och säljare som tredjepartsleverantörer för att kunna tillhandahålla och underhålla utrustning och tjänster på ett tillfredsställande sätt och i rätt tid. • Brister i Zwipes förmåga att attrahera och behålla kompetent personal, inklusive dess företagsledning, kan komma att få en väsentlig negativ inverkan på Zwipes framtida verksamhet. • Zwipes internationella verksamhet är föremål för risker och kan potentiellt exponera Zwipe för risker avseende regelefterlevnad av antikorrupsionslagar. <p><i>Risker relaterade till finansiering och marknadsrisk</i></p> <ul style="list-style-type: none"> • Zwipes nuvarande låneavtal, och framtida kreditfaciliteter, kan innehålla en eller flera finansiella kovenanter vilka Zwipe kan misslyckas att uppfylla.
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		<ul style="list-style-type: none"> • Zwipes förmåga att generera kontanta medel är beroende av många faktorer som ligger utanför Zwipes kontroll, och Zwiipe kan komma att sakna möjlighet att generera de kontanta medel som krävs för att betala dess skulder utan att behöva anskaffa ytterligare kapital. • Om Zwipes motparter inte uppfyller sina kontraktuella förpliktelser kan det få en väsentlig negativ effekt på Zwipes finansiella ställning. • Zwiipe är föremål för risker relaterade till värderingen av Zwipes tillgångar och skulder.
D.2	Huvudsakliga risker specifika för värdepapperen	<p><i>Risker relaterade till Aktierna</i></p> <ul style="list-style-type: none"> • Det finns för närvarande ingen marknad, och en aktiv handel kanske inte kommer att utvecklas, för Aktierna. • Det kan inte garanteras att Aktieägare som är bosatta eller har hemvist i USA eller i någon annan jurisdiktion än Norge kommer att ha möjlighet att delta i framtida kapitalanskaffningar eller företrädesrättsemissioner. • Teckningskursen för de Erbjudna Aktierna är ingen indikation på deras marknadsvärde efter Erbjudandet. • Framtida emissioner av Aktier eller andra värdepapper i Bolaget kan späda ut Aktieägares innehav och väsentligen påverka Aktiernas pris. • Ingen företagsbesiktning har genomförts inför Erbjudandet, och Zwiipe kan komma att bli föremål för betydande skada eller anspråk vilka varken Bolaget eller Arrangörerna har kännedom om per dagen för detta Prospekt.

Avsnitt E – Erbjudande

E.1	Nettointäkter och beräknade kostnader	Förutsatt att Erbjudandet kommer att bli fulltecknat, beräknas alla transaktionskostnader och övriga kostnader hänförliga till Erbjudandet som Bolaget kommer att bära att uppgå till cirka 9 800 000 NOK, vilket resulterar i nettointäkter om cirka 110 200 000 NOK från Erbjudandet.
E.2	Motiv till Erbjudandet och Noteringen samt användning av intäkter	Syftet med Erbjudandet är att stärka Koncernens eget kapital och finansiella ställning, innefattande återbetalning av skuld, och att säkerställa rörelsekapital för verksamheten, teknologisk utveckling och kommersialisering av Bolagets teknologi.
E.3	Erbjudandets former och villkor	<p>Erbjudandet består av ett erbjudande av de Erbjudna Aktierna för att anskaffa ett belopp om upp till 120 000 000 NOK genom en emission av upp till 6 000 000 Erbjudna Aktier. Av dessa omfattas 4 500 000 Erbjudna Aktier till ett belopp om 90 miljoner NOK av förhandsåtagen från befintliga Aktieägare, huvudsakligen insiders och nya investerare i Norge och Sverige.</p> <p>Erbjudandet är uppdelat i ett erbjudande riktat till institutionella investerare (Private Placement) och ett erbjudande riktat till allmänheten (Retail Tranche).</p> <p>De Erbjudna Aktierna erbjuds till en teckningskurs om 20 NOK ("Teckningskursen").</p> <p>Det institutionella erbjudandet (Private Placement) kommer att utformas som en riktad emission varigenom 4 500 000 Erbjudna Aktier kommer att erbjudas till ett antal större befintliga Aktieägare, huvudsakligen insiders och nya investerare i Norge och Sverige. Hela teckningsbeloppet i det institutionella erbjudandet, motsvarande 90 miljoner NOK,</p>

		<p>omfattas av förhandsåtaganden från nämnda investerare. Det institutionella erbjudandet kräver inte ett prospekt.</p> <p>Erbjudandet riktat till allmänheten (Retail Tranche) kommer att utformas som en riktad emission varigenom upp till 1 500 000 Erbjudna Aktier kommer att erbjudas till icke-professionella investerare i Norge och Sverige, innefattande men inte begränsat till Aktieägare som inte tilldelas Erbjudna Aktier i det institutionella erbjudandet (Private Placement). Erbjudandet riktat till allmänheten kräver att ett prospekt upprättas och godkänns av Finanstilsynet i Norge.</p> <p>Anmälningssperioden för Erbjudandet löper från den 10 januari 2019 till den 17 januari 2019 kl. 16.30 (CET) ("Anmälningssperioden").</p> <p>Meddelande om tilldelning av Erbjudna Aktier i Erbjudandet förväntas att skickas omkring den 18 januari 2019, genom utfärdande av tilldelningsnotor till de anmälda via mail eller på annat sätt.</p> <p>Förfallodagen för betalning av tilldelade Erbjudna Aktier infaller den 22 januari 2019. Personer som har anmält sig i det institutionella erbjudandet (Private Placement) och som har blivit tilldelade Erbjudna Aktier ska erlägga betalning för de tilldelade Erbjudna Aktierna till det konto som anges i tilldelningsbrevet. Personer som har anmält sig i erbjudandet riktat till allmänheten (Retail Tranche) måste ge tillstånd till Carnegie, Nordnet Bank AB (org. nr 516406-0021 i Sverige) eller Nordnet Bank NUF (org. nr 982 503 868 i Norge), såsom tillämpligt, ("Nordnet") att debitera det bankkonto hos Nordnet som personen tecknat sig genom för det belopp som ska erläggas för de Erbjudna Aktierna som har tilldelats personen. Nordnet har utsetts av Arrangörerna till anmälningsskontor och mottagare av anmälningar avseende Erbjudna Aktier i erbjudandet riktat till allmänheten.</p> <p>Förutsatt att betalningar från samtliga anmälda investerare har erlagts vid förfallodagen, beräknas leverans av de Erbjudna Aktierna att äga rum omkring den 28 januari 2019.</p>
E.4	Väsentliga intressen och intressekonflikter	<p>Carnegie och Redeye agerar som Arrangörer och Joint Bookrunners i samband med Erbjudandet och erhåller i detta avseende ersättning och provision.</p> <p>Arrangörerna och dess närstående bolag tillhandahåller för närvarande, och kan i framtiden komma att tillhandahålla, investerings- och affärsbanktjänster till Bolaget och dess närstående bolag inom den löpande verksamheten, för vilka de kan erhålla och komma att fortsätta erhålla sedvanliga ersättningar och provisioner. Arrangörerna, dess anställda och eventuella närstående bolag kan för närvarande äga Aktier i Bolaget.</p> <p>Utöver det ovan har Bolaget inte kännedom om något annat intresse för någon fysisk eller juridisk person som är involverad i Erbjudandet och som kan föranleda intressekonflikter.</p>
E.5	Säljande Aktieägare och lock up-avtal	<p>Ej tillämplig. Det förekommer inte några säljande Aktieägare i Erbjudandet.</p> <p>3 255 136 Aktier, vilka innehas av ledamöter i Styrelsen och den exekutiva företagsledningen för Zwipe ("Företagsledningen"), kommer att vara föremål för <i>lock up</i>-begränsningar under en period om sex (6) månader efter fullgörandet av Noteringen.</p>

E.6	Utspädningseffekt	Förutsatt att Erbjudandet blir fulltecknat kommer Erbjudandet att medföra en utspädningseffekt för Aktieägare som inte deltar i Erbjudandet med 63,66%.
E.7	Beräknade kostnader som åläggs investerare	Ej tillämplig. Varken Bolaget eller Arrangörerna kommer att ålägga investerare några avgifter eller skatter med anledning av Erbjudandet.

18 Additional information

18.1 Documents on display

For the life of this Prospectus the following documents (or copies thereof), where applicable, may be inspected at the offices of the Company:

- Zwipe's certificate of incorporation and Articles of Association;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by an expert at the Company's request, any part of which is included or referred to in this Prospectus; and
- The historical financial information of the Company for each of the three financial years preceding the publication of this Prospectus.
- This Prospectus.

18.2 Documents incorporated by reference

The Group incorporates by reference its audited financial statements as at, and for the years ended, 31 December 2017, 2016 and 2015, and certain other documents specified below:

Chapter in Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page (P) in reference document
Chapter 4.2.1 and 8-10	Audited historical financial information (Annex I, Section 20.1), including Audit report (Annex I, Section 20.4.1)	2017 audited financial statements: www.zwipe.com/about/	20-38
		2016 audited financial statements: www.zwipe.com/about/	5-19
		2015 audited financial statements: www.zwipe.com/about/	2-19
		2016 & 2017 consolidated audited financial statements; http://zwipe.com/about/	2-19
Chapter 8-10	Unaudited historical financial information	Consolidated interim report 30 June 2018; www.zwipe.com/about/	2-5

19 Definitions and glossary

Access Control Industry	Industry performing identification, authentication and authorization of users' access to a physical resource by evaluating required login credentials. Access control is a vertical addressed by the Company
AGM	The Company's annual General Meeting held on 22 May 2018
Anti-Money Laundering Legislation	Applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324
Application Form – Private Placement	Application form for application for Offer Shares in the Private Placement
Application Form – Retail Tranche	Application form for application for Offer Shares in the Retail Tranche who are existing Shareholders in Zwipe
Application Period	The application period for the Offering from 10 January 2019 at 9:00 hours (CET) to 17 January 2019 at 16:30 hours (CET)
Articles of Association	Zwipe's articles of association
ASIC	Application Specific Integrated Circuit
Audited Financial Statements	The Group's financial statements as of, and for the years ended, 31 December 2017, 2016 and 2015
BDO	BDO AS (business reg.nr. 993 606 650)
Biometric Algorithm	Extraction and matching algorithms that when combined enable a biometric system to recognize an individual by his or her anatomical/behavioral traits
Biometric Inlay	The electronic flexible circuit board inside the Payment Card, notably containing the Zwipe Biometric Engine, power harvesting and power management functionality
Biometric Payment Card	Payment Card with a fully embedded fingerprint sensor and on-card extraction & matching system enabling fingerprint authentication as an alternative to PIN or signature
Biometric Payment Card Value Chain	Zwipe sources components such as fingerprint sensors and electronic components from upstream partners. Zwipe integrates these components alongside its' unique Technology Platform into a Biometric Inlay, which it sells to downstream partners who are the Card Manufacturers. The Card Manufacturers integrate the Biometric Inlay into Dual Interface Payment Cards, and personalize these cards with payment applications and cardholder details before selling the Payment Cards to the Issuers who issue the cards to consumers.
Board of Directors or Board	The Company's board of directors, as elected from time to time
CAGR	Compound annual growth rate

Capital Markets Committee	The capital markets committee appointed by the Board
Card Manufacturer	Manufacturer of smart cards like Payment Cards. The Card Manufacturer integrates and laminates the Biometric Inlay into a Payment Card, personalizes, and inserts prints on the card prior to selling it to the Issuer
Cardtech	Cardtech AS
CEO	Chief executive officer
CET	Central European Time
CFO	Chief financial officer
CGO	Chief growth officer
Chairman	Chairman of the Board of Directors
Chapter	Chapter of this Prospectus
CNP	Card Not Present
COB	Chairman of the Board of Directors
Code	The Norwegian Code of Practice for Corporate Governance (Norwegian: <i>"Norsk anbefaling for god eierstyring og selskapsledelse"</i>)
COGS	Cost of goods sold
Companies Act	Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44
Company or Zwipe	Zwipe AS (business reg. no. 994 553 607)
Compensation Committee	The compensation committee appointed by the Board
Contactless Card	A contactless smart card with embedded integrated circuits enabling storing data and communication with POS terminal via NFC
Contactless Payment	Transaction that use (RFID) or NFC to make secure payments. The embedded chip and antenna onto the Payment Card enable consumers to wave their card over the POS to perform a transaction
Continuing Obligations	Certain duties to inform the market under the rules on the continuing obligations of companies admitted to trading on Merkur Market
COO	Chief operation officer
Corporate Governance Code	Norwegian Code of Practice for Corporate Governance, dated 17 October 2018 (Norwegian: <i>NUES</i>)
CPI	CPI Card Group Inc.
DFM	Design for manufacturability
DFT	Design for testing

Director	Director of the Board of Directors
Dual Interface Payment Cards	Payment Card with an embedded chip and antenna enabling both contact transactions (inserted or swiped at payment terminals) and contactless transactions (waved at payment terminals).
EBIT	Earnings Before Interest and Taxes
EBITDA	Represents operating income before depreciation and write-downs
EEA	The European Economic Area
EGM	An extraordinary general meeting of Shareholders in the Company
EMV	A payment method based upon a technical standard for smart payment cards and for payment terminals and automated teller machines that can accept them.
EMV Module	The EMV payment chip embedded into a module with contact plates
Enrolment Solution	Solution allowing the initial fingerprint data to be registered on the Payment Card
ERP system	Enterprise resources planning system
EU	The European Union
EU Prospectus Directive	Directive 2003/71/EC and any amendments thereto (including the 2010 PD Amending Directive), but also including Regulation (EU) 2017/1129 to the extent implemented in EU or the relevant EEA state
EU Prospectus Regulation 2017	Regulation (EU) 2017/1129
Excess Allowance	Any part of the calculated allowance one year exceeding the dividend distributed on the share
Existing Shareholder Retail Applicant	Applicants in the Retail Offering who are existing Shareholders in the Company
FAR	False acceptance rate
FIFO Principle	First in first out-principle
Financial Statements	The Audited Financial Statements and the Interim Financial Statement
Finansinspektionen	The Swedish Financial Supervisory Authority (Swedish: "Finansinspektionen")
FinTech	New technology and innovation that aims to compete with traditional financial methods in the delivery of financial services
Form Factor	Type of device that serves as a delivery channel for payments, e.g. plastic cards, key fobs etc.

Forward-Looking Statements	Projections and expectations regarding the Group's future financial position, business strategy, plans and objectives
FPC	Fingerprint Cards AB
FRR	False recognition rate
FSMA	Financial Services and Markets Act 2000
GBP	Great British Pounds, the lawful currency of Great Britain
GDPR	The EU General Data Protection Regulation 2016/679
Gemalto	Gemalto N.V.
General Meeting(s)	"General Meetings" mean the annual general meetings and extraordinary general meetings in the Company; and "General Meeting" means any one of them
Generation NxT	Has the meaning ascribed to it in Chapter 7.4.4 no. 3
Group	Zwipe AS and its subsidiary Zwipe America Inc.
Idemia	IDEMIA Identity & Security France SAS
H1	First half year
H2	Second half year
IFRS	International Financial Reporting Standard
Inlay	Electronic flexible circuit boards composed of Integrated Circuits
Inlay Provider	Manufacturer and distributor of Inlays
Private Placement	An Private Placement, in which Offer Shares are being offered to (a) investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from any prospectus requirements
Interim Financial Statement	The Company's unaudited interim financial statement as of, and for the six months ended, 30 June 2018
IoT	Internet of Things
IP	Intellectual property
IPR	Intellectual property rights
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
Issuer	A bank or credit union who offers payment cards
Kona-I	Kona I Co., Ltd.
Kuang-Chi	The Chinese high-tech group Photon Future Ltd.

Kuang-Chi Conversion Right		The right of Kuang-Chi to convert the Kuang-Chi Loan into new shares in the Company
Kuang-Chi Loan		Loan agreement between the Company and Kuang-Chi on 21 September 2015
Listing		The contemplated admission to trading of the Company's Shares (including the Offer Shares) on Merkur Market, a multilateral trading facility operated by Oslo Børs
LOA		Letter of Approval
Management		The executive management of the Group
Managers		Carnegie AS and Redeye AB
Mastercard Investment Right Agreement		The investment right agreement entered into by Zwipe and Mastercard International Inc. in July 2015
MCU		Micro Controller Unit
NCF		Near field communication
NGAAP		The Norwegian Generally Accepted Accounting Principals
NOK		Norwegian Kroner, the lawful currency of Norway
Nomination Committee		The nomination committee appointed by the Board
Non-Norwegian Corporate Shareholders		Shareholders that are limited liability companies not resident in Norway for tax purposes
Non-Norwegian Individual Shareholders		Shareholders who are individuals not resident in Norway for tax purposes
Nordnet		Nordnet Bank AB (org.no. 516406-0021 in Sweden) or Nordnet Bank NUF (org.no. 982 503 868 in Norway), as the case may be, serving, on basis of instructions from the Managers, as application office and receiving agent for applications of Offer Shares in the Retail Tranche
Nordnet Applicants	Retail	Applicants who are applying for Offer Shares in the Retail Tranche through Nordnet
Norwegian Corporate Shareholders	Corporate	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian FSA		The Financial Supervisory Authority of Norway (Norwegian: " <i>Finanstilsynet</i> ")
Norwegian Individual Shareholders	Individual	Shareholders who are individuals resident in Norway for tax purposes
Norwegian Securities Trading Act	Securities	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (Norwegian: " <i>verdipapirhandelloven</i> ")
NRE		Non Recurring Engineering expense

NRS8	The Norwegian Generally Accepted Accounting Principles for Small Enterprises
Offer Share(s)	The Shares offered for subscription in the Offering
Offering	The offering by the Company of up to 6,000,000 Offer Shares consisting of an Private Placement and a Retail Tranche, as further described in Chapter 5 of this Prospectus
OPEX	Operating expenses
Payment Card	Plastic payment cards which are part of a issued by Issuers to customers enabling the cardholder to access the funds in the customer's designated , or through a , and make payments by and access
Payment Card Industry	Refers to the industries related to automated teller machines (ATMs), POS terminals, credit, debit, prepaid and electronic money cards, and other associated industries.
Payment Ecosystem	A system enabling payment transactions, comprising Payment Schemes, component suppliers, Card Manufactures, Issuers, merchants, payment transaction acquirers, Regulators and Governments and consumers
Payment Scheme	A body that sets the rules and technical standards for the execution of payment transactions using the underlying payment systems.
PCT	Patent Cooperation Treaty of 19 June 1970
PIN	Personal Identification Number
POS	Point of Sale
Precise Biometrics	Precise Biometrics AB
Prospectus	This Prospectus dated 9 January 2019
PSD2	Directive (EU) 2015/2366 – Payment Services Directive (PSD2)
QIB	A qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act
Relevant Implementation Date	The date on which the EU Prospectus Directive is implemented in that Relevant Member State
Relevant Member State	Each member state of the EEA other than Norway
Retail Applicants	Applicants for Offer Shares in the Retail Tranche
Retail Tranche	A Retail Tranche in which Offer Shares are being offered to non-professional investors in Norway and Sweden subject to a lower limit per application of NOK 7,000 for each investor
SEK	Swedish Kroner, the lawful currency of Sweden
Share(s)	“Shares” mean the existing and new shares in the Company; and “Share” means any one of them

Shareholder	A shareholder in the Company
Shareholder Register	The Company's Shareholder register operated through the VPS
Simonsen Vogt Wiig	Advokatfirmaet Simonsen Vogt Wiig AS (business reg. no. 898 783 812)
SMB	Small- to medium-sized business
SOW	Statement of work
Subscription Price	The subscription price in the Offering as decided by the EGM (expected to be NOK 20 per Offer Share)
SVP	Senior vice president
Tier 1 Manufacturer	Card Card Manufacturers producing more than 1 billion Payment Cards per year
Tier 2 Manufacturers	Card Card Manufacturers producing a minimum of 1 million of Payment Cards per year
Trading Day	Trading day on Merkur Market
UK	United Kingdom
UK IPO	The Intellectual Property Office
U.S.	United States of America
U.S. Securities Act	The U.S. Securities Act of 1933 as amended
USD	U.S. dollars, the lawful currency of the U.S.
USPTO	United States Patent and Trademark Office
VAT	Value added tax
VP	Vice president
VPS	Verdipapirsentralen (Norwegian Central Securities Depository), which organizes a paperless securities registration system
Wiersholm	Advokatfirmaet Wiersholm AS (business reg. no. 981 371 593)
Zwipe Access Card	A clamshell plastic card used as a credential in access control systems to authenticate a person's identity, determine the appropriate level of access, and provide access to the physical resource
Zwipe America	Zwipe America Inc., a wholly-owned subsidiary of Zwipe AS
Zwipe Biometric Engine	The combination of Zwipe's biometric algorithms, card firmware and biometric processor
Zwipe Core Technology	Differentiating technologies specifically fit for constrained environments like ultra-thin and ultra-low power environments. Zwipe core technology comprise i) energy harvesting and power management systems, ii) firmware, iii) biometric algorithms, all designed for ultra-thin and ultra-low power high performance embedded applications and iv) Biometric and payment system integrations

Zwipe Expertise	Integration, design and manufacturing expertise for both for access control and payment applications, combined with an understanding of customers enrolment needs
Zwipe Technology	Means biometric authentication and identification engines, which primary purpose is to exchange results of biometric verification, cryptograms, algorithms, status of biometric authentication engine, enrolment data with third-party components and managing peripherals. The Zwipe Technology consists of the Biometric Inlay and various other patents, hereunder energy harvesting patents, both issued and applied for as well as other IPR and associated technologies and manufacturing methods.
Zwipe Platform	Technology A technology and solutions platform combining Zwipe's Expertise and know-how with Zwipe Core Technology and IP

20 Appendix - Articles of association



Articles of association for Zwipe AS: business reg. no.: 994 553 607

(as revised on 26 June 2018)

§ 1 Company name

The company name is Zwipe AS.

§ 2 Principal place of business

The company's principal place of business is in the municipality of Oslo.

§ 3 Business

Zwipe AS shall develop solutions providing safe, fast and simple identification of persons by means of biometry. The solutions may be used on various hardware platforms, such as card, phones, computers and any other equipment which may carry our solutions. The company may develop new solutions and will take part in investment, consulting and development activities as well as other activities in relevant markets.

§ 4 Share capital

The company's share capital NOK 942 566,20 divided into 9 425 662 shares, each with a par value of NOK 0.10.

The shares shall be registered in the Norwegian Central Securities Depository (VPS).

§ 5 Management

The company's board of directors shall consist of between two (2) and nine (9) board members (directors) as resolved by the general meeting.

Each of the chairman of the board and the chief executive officer (severally and not jointly) as well as two board members jointly are authorised to sign on the company's behalf.

The board of directors may grant powers of procuration.

§ 6 The general meeting

The annual general meeting shall be held each year by the end of June.

The annual general meeting shall transact and decide the following matters:

1. Adoption of the profit and loss account and balance sheet
2. Use of the profit or coverage of loss pursuant to the adopted balance sheet, and distribution of dividend
3. Election of the board of directors
4. Any other business that, by law, is to be transacted at the general meeting.

§ 7 Transfer of shares

The shares shall be freely transferrable.

§ 8 Electronic communication with the company's shareholders

The statutory requirements requiring that documents shall be sent to the shareholders shall not apply when the documents pertaining to the matters to be dealt with by the general meeting has been made available to the shareholders via the company's website. This also applies to documents which, according to law, shall be included in or enclosed the notice convening a general meeting. A shareholder may nonetheless require that the documents pertaining to the matters to be transacted at the general meeting are sent to him/her by regular mail. The company shall aim at sending notices and attachments, etc. relating to general meetings by e-mail to shareholders who have notified the company of their e-mail addresses.

APPLICATION FORM - RETAIL TRANCHE

ZWIPE AS - RETAIL TRANCHE

The Offering: The Retail Tranche constitutes, together with the Private Placement, the Offering (the "**Offering**") which totals up to 6,000,000 Offer Shares, corresponding to approximately 64% of the current number of outstanding shares in Zwipe AS (the "**Company**").

The Retail Tranche: This application form (the "**Application Form – Retail Tranche**") is for application for new shares (the "**Offer Shares**") in the Company in the Retail Tranche (the "**Retail Tranche**") of up to 1,500,000 Offer Shares, corresponding to approximately 16% of the current number of outstanding shares in the Company. The subscription price is NOK 20.00 per Offer Share. Information on the Retail Tranche is provided in the Company's prospectus dated 9 January 2019 (the "**Prospectus**") and may also be requested from the Company. The completion of the Retail Tranche is conditional upon (i) approval of the Retail Tranche by an extraordinary general meeting in the Company; (ii) the Company resolving to consummate the Retail Tranche and allocate the Offer Shares; and (iii) registration of the share capital increase in the Company pertaining to the Retail Tranche with the Norwegian Register of Business Enterprises.

Eligible Persons: The Offer Shares in the Retail Tranche will be offered for application to non-professional investors in Norway and Sweden, including but not limited to shareholders of the Company who are not allocated Offer Shares in the Private Placement (the "**Eligible Persons**") in the period from 10 January 2019 at 09:00 CET to 17 January 2019 at 16:30 CET (but may close earlier and on short notice).

Application: Eligible Persons may apply for Offer Shares through correctly completing this Application Form – Retail Tranche and thereafter returning it to Carnegie AS, Fjordalleen 16, Aker Brygge, P.O. Box 684 Sentrum, NO-0106 Oslo, Norway, subscriptions@carnegie.no ("**Carnegie**") by ordinary post, e-mail or hand-delivery, so that it is received in the period from and including 10 January 2019 to 17 January 2019 at 16:30 CET (the "**Application Period**"). By delivering the Application Form – Retail Tranche to Carnegie for registration, the application for Offer Shares is irrevocable and may not be withdrawn, cancelled or modified. By applying, the applicant grants Carnegie an authorization to subscribe for the shares applied for in this Application Form. The applicant represents and warrants that it has read the Prospectus, and that it accepts the terms and conditions set out in this Application Form – Retail Tranche and in the Prospectus as applicable to its application of Offer Shares. In case of discrepancy between the Prospectus and the Application Form – Retail Tranche, the Prospectus shall prevail. No other documentation related to the Retail Tranche shall be considered binding for the Company related to the Retail Tranche.

Relevant documentation: The Company's articles of association, as well as the annual accounts and the annual report for the last year, are available at the Company's office.

Allocation: Notifications of allocations of Offer Shares will be notified by Carnegie on or about 18 January 2019.

Payment: By applying, the applicant undertakes to pay the subscription price for any Offer Shares allocated to the applicant. The bank account number of applicants in the Retail Tranche must be stated in the Application Form – Retail Tranche. Applicants who are existing customers of Carnegie: The applicant authorizes Carnegie to debit the applicant's Norwegian bank account for the total amount due for the ordered Offer Shares on or about 22 January 2019, and to make up to three debits attempts within 10 February 2019 if there are insufficient funds on the account on the first debiting date. If the applicant does not have a Norwegian bank account, he/she must notify Carnegie as soon as possible. If payment is delayed, the allotted Offer Shares will be withheld. Interest will in such event accrue at a rate equal to the interest on late payment, currently 8.75% per annum. Applicants who are NOT existing customers of Carnegie: Payment shall be made to Carnegie. Payment instructions will be distributed on or about 18 January 2019. If payment is delayed, the allotted Offer Shares will be withheld. Interest will in such event accrue at a rate equal to the interest on late payment, currently 8.75% per annum.

Delivery of Offer Shares: It is expected that the share capital increase pertaining to the Retail Tranche will be registered in the Norwegian Register of Business Enterprises on or about 25 January 2019, and that delivery of allocated and paid Offer Shares will take place on or about 28 January 2019.

Applies for (number of shares) at NOK 20.00 per Offer Share	Total amount to be paid in NOK

Place and date of application. Telephone (at day time) /e-mail. Must be dated in the Application Period.

Binding signature. The applicant must have legal capacity. When signed by proxy, documentation in the form of company certificate or power of attorney must be enclosed.

INFORMATION ON THE APPLICANT (ALL FIELDS MUST BE COMPLETED):

First name		PLEASE NOTIFY A MANAGER OF ANY CHANGES
Surname/company		
VPS account number		
Norwegian bank account number (11 digits)		
Street address		
Post code/district/country		
Personal ID number/organisation number		
Legal Entity Identifier ("LEI")/National Client Identifier ("NID")*		
Nationality		
E-mail address		
Daytime telephone number		

*A LEI number is a global identification code for legal entities and a NID number is a global identification code for natural persons. As a result of MiFID II/MIFIR, all legal entities and natural persons need a LEI/NID number in order to participate in financial transactions from 3 January 2018. For Norwegian citizens, the NID code is the same as the national identity number (Nw.: "personnummer"), with "NO" as a prefix.

Regulatory Issues: In accordance with the Markets in Financial Instruments Directive ("MiFID") of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect Carnegie must categorize all new clients in one of three categories: eligible counterparties, professional and non-professional clients. All applicants in the Retail Tranche who are not existing clients of Carnegie will be categorized as non-professional clients connected to the Retail Tranche. Applicants can by written request to Carnegie ask to be categorized as a professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act. For further information about the categorization, the applicant may contact Carnegie AS (P.O. Box 684 Sentrum, NO-0106 Oslo, Norway, www.carnegie.se/en/no). **The applicant represents that he/she/it is capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

Selling and Transfer Restrictions: No one has taken any action that would permit a public offering of Offer Shares to occur outside of Norway, and there will be no public offer of the Offer Shares outside of Norway. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except in certain circumstances to qualified institutional buyers, as defined in rule 144A under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") and to "major U.S. institutional investors" as defined in rule 15A-6 under the U.S. Exchange Act of 1934. The Offer Shares have not been registered and will not be registered under the U.S. Securities Act and may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. All offers and sales of the Offer Shares in the Retail Tranche will be made outside the United States in reliance on Regulation S under the U.S. Securities Act.

Information Exchange: The applicant acknowledges that, under the Norwegian Securities Trading Act and foreign legislation applicable to Carnegie there is a duty of secrecy between the different units of Carnegie as well as between Carnegie and the other entities in Carnegie's respective groups. This may entail that other employees of Carnegie or Carnegie's respective groups may have information that may be relevant to the applicant, but which Carnegie will not have access to in its capacity as manager for the Retail Tranche.

Information Barriers: Carnegie is a securities firm that offers a broad range of investment services. In order to ensure that assignments undertaken in Carnegie's corporate finance departments are kept confidential, Carnegie's other activities, including analysis and stock broking, are separated from Carnegie's corporate finance department by information walls. The applicant acknowledges that Carnegie's analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions of the Offer Shares as a consequence of such information walls.

Mandatory Anti-Money Laundering Procedures: The Retail Tranche is subject to Norwegian anti-money laundering regulations, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively the "**Anti-Money Laundering Legislation**"). Applicants who are not registered as existing customers with Carnegie must verify their identity in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Application Form – Retail Tranche are exempted, unless verification of identity is requested by Carnegie. The verification of identity must be completed prior to the end of the Application Period. Applicants that have not completed the required verification of identity may not be allocated Offer Shares. Further, in participating in the Retail Tranche, each applicant must have a VPS account. The VPS account number must be stated on the Application Form – Retail Tranche. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Non-Norwegian investors may, however, use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the Financial Supervisory Authority of Norway. Establishment of a VPS account requires verification of identity before the VPS registrar in accordance with the Anti-Money Laundering Legislation.

Investment decisions based on the Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the Prospectus.

APPLICATION FORM - PRIVATE PLACEMENT

ZWIPE AS - PRIVATE PLACEMENT

The Offering: The Private Placement constitutes, together with the Retail Tranche, the Offering (the "**Offering**") which totals up to 6,000,000 Offer Shares, corresponding to approximately 64% of the current number of outstanding shares in Zwipe AS (the "**Company**").

The Private Placement: This application form (the "**Application Form - Private Placement**") is for application for new shares (the "**Offer Shares**") in the Company in the Private Placement (the "**Private Placement**") of 4,500,000 Offer Shares, corresponding to approximately 48% of the current number of outstanding shares in the Company. The subscription price in the Private Placement is NOK 20.00 per Offer Share. Information on the Private Placement is provided in the Prospectus dated 9 January 2019 (the "**Prospectus**") and may also be requested from the Company. The completion of the Private Placement is conditional upon (i) the Company obtaining admission to trading on Merkur Market; (ii) approval of the Private Placement by an extraordinary general meeting in the Company; (iii) the Company resolving to consummate the Private Placement and allocate the Offer Shares; and (iv) registration of the share capital increase in the Company pertaining to the Private Placement with the Norwegian Register of Business Enterprises.

Eligible Persons: The Offer Shares in the Private Placement will be offered for application to certain selected investors, of whom some are shareholders in the Company and some are new investors in Norway and Sweden (the "**Eligible Persons**") in the period from 10 January 2019 at 09:00 CET to 17 January 2019 at 16:30 CET (but may close earlier and on short notice).

Application: Eligible Persons may apply for Offer Shares through correctly completing this Application Form – Private Placement and thereafter returning it to Carnegie AS, Fjordalleen 16, Aker Brygge, P.O. Box 684 Sentrum, NO-0106 Oslo, Norway, subscriptions@carnegie.no ("**Carnegie**") by ordinary post, e-mail or hand-delivery, so that it is received in the period from and including 10 January 2019 to 17 January 2019 at 16:30 CET (the "**Application Period**"). By delivering the Application Form – Private Placement to Carnegie for registration, the application for Offer Shares is irrevocable and may not be withdrawn, cancelled or modified. By applying, the applicant grants Carnegie an authorization to subscribe for the shares applied for in this Application Form – Private Placement. The applicant represents and warrants that it has read the Prospectus, and that it accepts the terms and conditions set out in this Application Form – Private Placement and in the Prospectus as applicable to its application of Offer Shares. In case of discrepancy between the Prospectus and the Application Form – Private Placement, the Prospectus shall prevail. No other documentation related to the Private Placement shall be considered binding for the Company related to the Private Placement.

Relevant documentation: The Company's articles of association, as well as the annual accounts and the annual report for the last year, are available at the Company's office.

Allocation: Notifications of allocations of Offer Shares will be notified by Carnegie on or about 18 January 2019.

Payment: By applying, the applicant undertakes to pay the subscription price for any Offer Shares allocated to the applicant. Payment shall be made to Carnegie. Payment instructions will be distributed on or about 18 January 2019. If payment is delayed, the allotted Offer Shares will be withheld. Interest will in such event accrue at a rate equal to the interest on late payment, currently 8.75% per annum.

Delivery of Offer Shares: It is expected that the share capital increase pertaining to the Private Placement will be registered in the Norwegian Register of Business Enterprises on or about 25 January 2019, and that delivery of allocated and paid Offer Shares will take place on or about 28 January 2019.

Applies for (number of shares) at NOK 20.00 per Offer Share	Total amount to be paid in NOK

Place and date of application. Telephone (at day time)/e-mail. Must be dated in the Application Period.

Binding signature. The applicant must have legal capacity. When signed by proxy, documentation in the form of company certificate or power of attorney must be enclosed.

INFORMATION ON THE APPLICANT (ALL FIELDS MUST BE COMPLETED):

First name		PLEASE NOTIFY A MANAGER OF ANY CHANGES
Surname/company		
VPS account number		
Norwegian bank account number (11 digits)		
Street address		
Post code/district/country		
Personal ID number/organisation number		
Legal Entity Identifier ("LEI")/National Client Identifier ("NID")*		
Nationality		
E-mail address		
Daytime telephone number		

*A LEI number is a global identification code for legal entities and a NID number is a global identification code for natural persons. As a result of MiFID II/MIFIR, all legal entities and natural persons need a LEI/NID number in order to participate in financial transactions from 3 January 2018. For Norwegian citizens, the NID code is the same as the national identity number (Nw.: "personnummer"), with "NO" as a prefix.

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Information Exchange: The applicant acknowledges that, under the Norwegian Securities Trading Act and foreign legislation applicable to Carnegie there is a duty of secrecy between the different units of Carnegie as well as between Carnegie and the other entities in Carnegie's respective groups. This may entail that other employees of Carnegie or Carnegie's respective groups may have information that may be relevant to the applicant, but which Carnegie will not have access to in its capacity as manager for the Private Placement.

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